United States Court of Appeals

for the Second Circuit

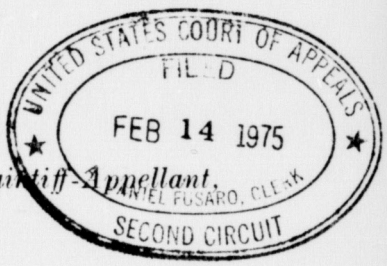
APPENDIX

74-2340

ORIGINAL

United States Court of Appeals

For the Second Circuit.



ALLEN & COMPANY,
Plaintiff-Appellant,

against

OCCIDENTAL PETROLEUM CORPORATION,
Defendant-Appellee.

JOINT APPENDIX.

Volume II—Pages 545a to 1088a.

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"Q. Would you give us the detail? A. Well, it was agreed that if we not obtain the concessions as a result of their assistance, they were to have no—to have no compensation at all.

"Q. Now, did you insist on that provision or did they? A. Certainly we did.

"Q. They went along with it? A. Yes, sir.

"Q. Did you tell them that, at the time, that you could fire them at any time you wanted? A. No, not in those words. I told them that if they didn't render anything that we could do ourselves we certainly were not going to compensate them.

"Q. What else did you say to them on that occasion? A. We discussed the fact that the agreements were not—that this—these letters were not transferable, and not assignable.

"Q. Who suggested— A. Without our approval.

"Q. Who suggested that provision? A. We did.

"Q. Did you explain what you meant by that? (817) A. Well, we were dealing with two people who had been so highly recommended by the Allens that we didn't want to have this—have this transferred to somebody whom we didn't know, who wasn't highly recommended. So we wanted to be sure that we continually were dealing with the same high caliber people.

"Q. Continue. A. The last thing was that they would not negotiate or—with any other party for similar services.

"Q. Well now, as I understand it, you were willing to give Mr. Galic the 4 per cent interest, but you weren't willing to give General DeRovin a 4 per cent or 5 per cent or any per cent, is that correct? A. No. He also got 4 per cent. But his 4 per cent terminated after he received $500,000.

"Q. Yes. But you were willing to let Mr. Galic have interminable 4 per cent, that is a 4 per cent carried interest? A. Yes."

And we pass from there, which is Line 10 on 185 to Page 186, Line 4. Read by plaintiff.

"Q. What I am asking you for now is any explanation that you gave to Mr. Galic and to Mr. DeRovin as to why (818) they should be treated differently and if there was no explanation, that is your answer? A. Well, Mr. DeRovin wanted $200,000 immediately on the signing of the concession which was not in Mr. Galic's contract and Mr. Galic was willing to take his chances and wait. Sometimes concessions are obtained in Libya on which they have never found any oil."

(819) "Q. What else was said? A. That is all I can think about at the present time.

"Q. And the conversations between you, the General, and Galic took place on the 17th and 18th of September, and then Mr. Brenner drafted the agreements, Plaintiff's Exhibits 4 and 6, and they were signed; is that correct? A. That is correct."

Mr. Greenspoon: Number 6, your Honor, is now Plaintiff's Exhibit 37.

Mr. VanVoorhis: That is the agreement with DeRovin.

Mr. Greenspoon: Yes.

Mr. VanVoorhis:

"Q. Now, did you have a meeting with Mr. Ogby alone or in the presence of any other persons? A. We met Mr. Ogbi in the presence of Mr. Galic and General DeRovin and Mr. Brenner.

"Q. And what was the discussion on that occasion? A. The discussion was—Mr. Ogbi was going to do most of the work; he wanted us to agree that we would purchase his overriding royalties for a flat sum. And we said we would agree to do so.

"Q. Now, did you ask Herbert Allen whether Allen & Company was willing to issue a letter of credit to Ogbi

(820) or a letter confirming your agreement to pay the one million five? A. No.

"Q. Did you at any time discuss that subject matter was either Herbert Allen or Charles Allen, subsequent to September 18, 1964? A. No. Because it wasn't limited only to Allen. It was Allen & Company or another bank selected by Occidental. There was no necessity to talk for Allen at this stage. It was all premature.

"Q. Does that mean that you did not talk to Allen & Company on that subject matter? A. That's right. To the best of my recollection.

"Q. Either before or after the signing of Plaintiff's Exhibit 7 for identification? A. Yes, sir."

Mr. Greenspoon: Your Honor, that is Plaintiff's Exhibit 38 in evidence now, the letter between Ogbi and Occidental, dated September 18, 1964.

The Court: 38?

Mr. Greenspoon: Plaintiff's Exhibit 38, yes, your Honor.

• • •

(821) Mr. Van Voorhis:

"Q. Now, did you discuss with Herbert Allen the possibility that you might utilize the name of Allen & Company, under the circumstances set forth in Plaintiff's Exhibit 7?"

Plaintiff's Exhibit P38.

"A. No.

"Q. And at no time did Allen & Company ever authorize you to so use their name; is that correct? A. I didn't use their name. I said it would either be Allen & Company or some other bank collected by us. I don't consider that using their name.

"Q. Now, in connection with your discussions with Ogbi, was there any mention that Ogbi would like $100,000 to help him in his campaign to be reelected? A. No.

(822) "Q. Was there any mention at all about how much money, if any, that Ogbi would like to get in order to aid him in his campaign? A. No.

"Q. Didn't Galic suggest that Occidental should put up $10,000 and Galic would put up $10,000 to help Ogbi get elected? A. No. Ogbi—Galic said that Ogbi wanted to borrow $20,000.

"Q. Yes. Was this in front of Ogbi? A. Yes.

"Q. And— A. And Ogbi confirmed it that Ogbi would get his note and pay it back promptly and he suggested that I—that we loan him $10,000 and he loan him $10,000.

"Q. And— A. And I rejected that. I said that I didn't think we should make such a loan—

"Q. Are you sure, positively, as you sit there today, that Occidental did not issue a $10,000 check to Ogbi? A. Yes, sir.

"Q. And that Galic did not issue a letter or credit or a letter of instructions covering $10,000 to be paid to Ogbi, in your presence? (823) A. I testified—

"Q. In your presence. A. I testified this morning to the circumstances, as I recall it, that after I refused Galic loaned Ogbi $10,000 himself and took two notes.

"Q. That was in your presence? A. No. Then Galic saw me separately and he said that, 'I don't think you were —you should be so tough.' I said I was very much disturbed at this, because I had heard that Mr. Ogbi was a very wealthy man; it seemed strange that he should be wanting to borrow $20,000 right away.

"And so Mr. Galic said, 'I have given him $10,000 myself,' and showed me the notes that he had from Mr. Ogbi. So I then said, 'Okay, I will—we will loan half of it with you.'

"Q. But that was subsequent to the meeting that you are talking about when you said you would lend half of the $10,000? A. I think it all took place at the same meeting.

"In fact, I think it may even have taken—preceded the signing of this agreement, but it was all in one continuous meeting that lasted some considerable time.

(824) "Q. Well, see if I've got it straight. At one of the meeting between the 17th and 19th of September—A. On the 18th.

"Q. On the 18th—Ogbi suggested that he needed $20,000 as a loan? A. Yes.

"Q. To assist him in his legislative campaign? A. He didn't say what it was for. He just said he needed $20,000 as a loan.

"Q. As a loan? A. Yes.

"Q. You refused to lend any part of it? A. Correct.

"Q. Galic said that he would lend him ten? A. No, no, the meeting broke up.

"Q. The meeting broke up? A. Recessed for a while, and at that point, as far as I was concerned, I was ready to leave and forget about Galic and Ogbi and DeRovin and Allen and the whole business. It started to smell bad right there. I felt then that there were some danger signals, and that was what prompted me to draw a credit report on Mr. Ogbi. And then later that day Mr. Galic came back to my suite, and said, 'I think you have made a mistake,' he said, 'in (825) your action. I think you insulted Mr. Ogbi; you have hurt his feelings and I have, on my own, loaned him $10,000.'

"Then he pulls out and show me two notes—I believe they were $5,000 apiece, from—signed in blank by Ogbi, and he said, 'It is quite all right, a businessman gets strapped for cash and he needs cash for—even no matter how wealthy he is, there are times when a man needs cash; you shouldn't take that as an indication that the man is not a man of substantial means, that therefore he cannot—you don't want to have any dealings with him.'

"So I said, 'Okay, then I will—I will take up half of the ten,' and that was the way—

"Nizer: You described that this morning.

"The Witness: Yes.

"Q. I didn't understand from your testimony this morning that all this had taken place at the London meeting. A. Oh, yes.

"Q. Now, had you signed the agreements or the documents with Galic and DeRovin before you learned that Galic had made the $10,000 loan to Ogbi? A. I can't recall the sequence. I think it all (826) took place in the same day.

"Q. Well— A. Various hours.

"Q. Is it your best recollection— A. In my suite.

"Q. Is it your best recollection that all three of the writings as between Occidental and Ogbi, DeRovin and Galic, were signed about the same time? A. Yes.

"Q. Or at the same meeting? A. Well, the meeting was a continuous one, maybe it lasted from morning until afternoon.

"Q. Did you have any private meetings with Mr. Ogbi at which neither Galic nor DeRovin were present? A. No.

"Q. So that at any meeting that you had with Ogbi, either Galic or DeRovin or both were present? A. To the best of my knowledge.

"Q. And Brenner, I take it, was present at all the meetings, too? A. There are people moving in and out going—conversation was going on, I can't very well tell you that there wasn't times when maybe Galic stepped out or DeRovin and Galic left to go off somewheres and talk (827) by themselves and left Ogbi in the room was Brenner and me, or vice versa. This thing was—kind of a continuous performance."

The Court: I think we are going to another subject and we will take our break now.

(Recess)

Armand Hammer, E.B.T.

Mr. VanVoorhis: Page 193. We were discussing the meeting of September 18, 1964, at Claridge's:

"Q. Now, at this meeting, or series of meetings, was there anything said to the effect that the only way you can get concessions in Libya was through submitting a competitive bid? A. Yes, we were told that the procedure was going to be to file sealed bids, that these bids would be considered by the Supreme Council which was made up of members of the government from various ministries, and then it was approved by the cabinet and by the Prime Minister and then it finally had to go to the King, who had the last word.

"Q. Now, at this time, to wit, September, 1964, had you met the King as yet? A. No.

"Q. When did you meet the King for the first time? A. In—after the concessions were granted.

(828) "Q. After the concessions were granted? A. Yes."

Now we pass from line 13 on page 194 to page 195, line 7, plaintiff reading:

"Q. Now, did Galic tell you, or did Ogbi or DeRovin tell you the names of any oil companies who were preparing to bid or who were getting ready to bid for concessions in Libya at this meeting? A. I think Ogbi told me about that.

"Q. What were the names of the companies which Ogbi told you about? A. I think he mentioned Standard Oil of Indiana, as I remember. Their foreign subsidiary I think is called Pan-America. I think Ogbi used to represent them before, and apparently they had consulted Ogbi and engaged his services in the past. I believe he said so. I don't know of any other.

"Q. Did he mention Wintershal? A. No.

"Q. Did he mention any German oil companies? A. No.

"Q. Did he mention any American oil companies other than Standard Oil of Indiana? A. No, I don't recall.

(829) "Q. How about British Petroleum? A. No.

"Q. He did not mention them? A. No.

"Q. Can you recall a single other oil company which was mentioned by Ogbi at the meetings in September, 1964?

"Nizer: He just answered that.

"Q. We have managed to recall Standard Oil of Indiana and that is the only one? A. Yes."

Now, we pass to the next volume. We pass now to page 209, and I am reading what is offered by defendant but without objection:

"Q. Does Plaintiff's Exhibit 10 for identification refresh your recollection as to the names of the competitive bidders with respect to Block No. 42B and Block No. 44?"

The equivalent of Exhibit 10, for this record, is?

Mr. Greenspoon: Plaintiff's Exhibit 133 for identification, and I now offer it in evidence.

Mr. Nizer: No objection.

(Plaintiff's Exhibit P133 received in evidence.)

(829a) Mr. VanVoorhis:

"A. It gives the names here of the bidders of 42B and 44."

(Pause)

(830) "A. It gives the names here of the bidders of 42-B and 44."

Mr. VanVoorhis: Plaintiff's Exhibit 10 is Plaintiff's Exhibit 123.

"Q. And does Plaintiff's Exhibit 10 correctly state, to your recollection, the names of the bidders for those two blocks? A. Yes, sir."

• • •

Armand Hammer, E.B.T.

"Q. Who signed the formal proposal dated July 29, 1965, which was submitted to the Libyan Government? A. I am not sure. Either I signed it or Mr. Richard Vaughan signed it.

"Q. What was Mr. Richard Vaughan's capacity at that time? A. He was executive vice president.

"Q. Of what? A. Of Occidental of Libya.

"Q. Was he also vice president of Occidental? (831) A. Yes, sir.

"Q. In which capacity did he sign, if he signed, the formal proposal of July 29, 1965? A. I believe he signed it as executive vice president of Occidental of Libya, if he signed it.

"Q. If you signed the formal proposal of July 29, 1965, in what capacity did you sign it? A. As president of Occidental of Libya.

"Q. You mentioned yesterday that at the time of the opening of the bids, whenever that occurred, the oil minister disclosed the blocks for which the bid was made and certain special considerations, to use your words; do you recall that? A. Yes.

"Q. What were the special considerations with respect to Occidental which were disclosed by the oil minister? A. Certain preferential factors.

"Q. Could you tell us what they were? A. Each company had different factors, and I cannot possibly recall what they were.

"Q. I am asking for Occidental's. A. Occidental's preferential factors, the principal ones were the offer of Occidental to contribute, (832) or take 5 percent of its profits before taxes and apply them to the development of agricultural projects in Libya, especially in an area known as Kufra.

"Another preferential Occidental offer was to develop the use of the Oxytrol for preserving perishable commodities such as foods, fruits, fish, meat, under a controlled nitrogen atmosphere process, for which Occidental had a patent.

Armand Hammer, E.B.T.

"Another preferential preference which Occidental offered was to do a feasibility study for the construction of an ammonia plant, and the development of a fertilizer project from a gas which was presently being wasted and flared in Libya.

"Those are the three principal preferences which distinguished Occidental's bid from the other bids which were submitted by the other company."

• • •

(834) "Q. Did you discuss the allocation of 5 per cent of your profits for agricultural pursuits in Kufra with Mr. Galic at any time prior to July 29, 1965? A. No, sir.

"Q. Did you discuss that subject matter with Mr. Ogbi? A. No, sir.

"Q. Or with General deRovin? A. No, sir.

"Q. Did Mr. Brenner, to your knowledge or information, discuss that subject matter with either Mr. Ogbi, Mr. Galic or General deRovin? A. No, sir, not to the best of my knowledge.

"Q. Did Mr. Brenner report to you as to whether or not he had discussed that subject with any one of those (835) three men? A. No, sir.

"Q. Did you discuss at any time prior to July 29, 1965, the notion of developing fertilizers from gas then being flared or wasted with Mr. Galic? A. No.

"Q. Did you discuss that subject matter with Mr. Ogbi? A. Yes—I didn't, but Mr. Brenner did.

"Q. When did Mr. Brenner report to you that he had discussed that subject with Mr. Ogbi? A. I believe on his first visit to Libya.

"Q. And that would be in July or August 1964? A. In August of 1964.

"Q. Did Mr. Ogbi bring up that subject with Mr. Brenner or was it the other way around, according to Mr. Brenner's report? A. It was the other way around,

because that subject was in part of my informal application that I had made the year before.

"Q. What did Mr. Ogbi say to Mr. Brenner on that subject, according to Mr. Brenner? A. He thought it was excellent idea and he indicated that not only did he think we should pursue (836) that, but he offered to form a group of friends who would help to market the projects, the fertilizer product in Libya, and export them and he thought this could be a very good business as well."

Mr. VanVoorhis: Passing from line 13, page 214, to page 215, line 2, and continuing to read at the offer of defendant, without objection.

"Q. Was this report from Mr. Brenner oral or in writing? A. I think it was oral by Mr. Brenner, but I think it was followed up by a letter from Mr. Ogbi, which was written to me shortly after Mr. Brenner met with Mr. Ogbi.

"I would like to take this opportunity to correct a misunderstanding that was made yesterday.

"I think you asked me yesterday if I ever heard from Mr. Ogbi prior to my meeting with him in London, and I misunderstood.

"I thought the question had been, had I ever met Mr. Ogbi prior to the meeting, and I answered no, and in reading the transcript, one of Mr. Nizer's associates called my attention to this, and I would like to correct it at this time.

"Q. In other words, your correction is that you (837) had received a communication from Mr. Ogbi prior to the London meeting in September, 1964? A. Yes, sir."

Mr. VanVoorhis: Passing now from the bottom of 215 to line 25 on page 216, offered by defendant, without objection:

"Q. Did you discuss with Mr. Ogbi the notion of a feasibility study for the ammonia plant? A. No.

"Q. Did Mr. Brenner, to your knowledge or information? A. I don't believe he discussed the feasibility study. I think he discussed with Mr. Ogbi the idea of offering this as a preference in our bid for concession.

"Q. What did Mr. Ogbi have to say on that subject, according to Mr. Brenner? A. He thought it was a good idea.

"Q. Did Mr. Ogbi expand on the notion other than to say it is a good idea? A. I just related to you, he thought it could develop into a very good business, and he would like—he said he would like to participate in the—in such a business, and in marketing the fertilizer.

"Q. Wasn't the ammonia plant something separate—
(838) A. No.

"Q. Was it separate from the fertilizer or is it part of the same project? A. It is part of the same project. You have to have ammonia in order to make the fertilizer from the ammonia.

"Q. From the gas? A. You start with the gas and then you have the ammonia, the ammonia gives you the base for nitrogenous fertilizer.

"Q. Did you discuss the ammonia fertilizer project with Messrs. deRovin or Galic? A. No, I did not.

"Q. Do you know whether or not Mr. Brenner did? A. I do not, no.

"Q. Do you know whether or not Mr. Vaughan did? A. I do not, no.

"Q. Do you know whether Mr. Vaughan discussed the ammonia fertilizer program with Mr. Ogbi? A. I am not aware of that.

"Q. With respect to the utilization of the Oxytrol process, was that discussed by either you or Mr. Brenner with Mr. Ogbi? A. No.

(839) "Q. Was that discussed by Mr. Vaughan with Mr. Ogbi? A. Not to my best recollection.

"Q. Did you or Mr. Brenner discuss that subject with either Mr. Galic or Mr. deRovin? A. No.

"Q. Did you discuss the subject of ammonia and fertilizer program in Libya with any one of the Allens? A. No.

"Q. Did you discuss with any of the Allens the notion of using the Oxytrol process in Libya? A. No.

"Q. Did you discuss with either of the Allens the notion of setting aside 5 per cent of your profits for the development of agricultural pursuits in Kufra? A. With whom—discuss with whom?

"Q. Either of the Allens. A. No.

"Q. Who conceived the idea of utilizing this 5 per cent of profits for agricultural purposes as one of the preferences? A. It was developed within our own group after the termination of the—I believe it was after—after the receipt of the letter from Herbert Allen (840) enclosing the background of Mr. deRovin.

"Q. In other words, you think that that concept was conceived after March 16, 1965? A. Yes, sir.

"Q. And where, physically, was that concept conceived? A. It would be difficult for me to answer that.

"Q. Were you a participant in the conception of that concept? A. Yes, I was."

Mr. VanVoorhis: Now we pass to line 16 on the same page, page 220, offered, again, by the defendant but with no objection.

"Q. Who conceived the concept of utilizing the Oxytrol process in Libya? A. This again was developed in our own—among our own people, the Oxytrol process had been invented by our own people in our own fertilizer division, in our fertilizer plant, particularly in California.

"It seemed to us that this fitted in very nicely with the needs of Libya.

Armand Hammer, E.B.T.

"Q. Who was the originator of the notion that this should be applied to Libya? A. I think I had probably as much to do with it as anybody.

(841) "Q. When was that concept conceived? A. I would say just shortly before we filed our bid.

"Q. Could you fix a more precise date than that? A. Some time, I would say, in the last few weeks before the bid was submitted.

"Q. Some time in July, 1965? A. Yes.

"Q. Is that correct? A. Yes, sir.

"Q. When for the first time was the concept of the ammonia plant and fertilizer program conceived? A. I would say in 1963.

"Q. Where and by whom was that conceived? A. That was conceived principally by me, together with the help of our engineers and people in our fertilizer division.

"Q. Was a proposal in connection with such an ammonia-fertilizer program submitted by you or Occidental to the Government of Libya in 1963? A. To the best of my recollection, it was.

"Q. Was there any further development of that concept set forth in the 1965 proposal as compared with the 1963 informal proposal? A. No. I think it was substantially the same."

(842) Mr. VanVoorhis: Passing to line 12 on the same page, page 222, offered by plaintiff:

"Q. When was the July 29, 1965 submission completed? A. Almost the last minute. Right up to the deadline, I think, as I recall it, we worked right up to the time, and I believe we were the last one to complete and submit our bid, or next to the last one.

"We had to rush over to the Government office where the bids were filed, and I remember that we were concerned that we might be late, but we arrived there just a few minutes before the closing hour.

Armand Hammer, E.B.T.

"Q. Was the proposal drafted, typed and signed in the United States and then flown over to Libya? A. No.

"Q. Or was it completed in Libya? A. It was all done in Libya, completed in Libya.

"Q. Were you a participant in the completion? A. Yes, I was.

"Q. Who else was present in Libya, working on the submission? A. Mr. Vaughan and I.

"Q. Was Mr. Brenner there? A. No.

"Q. And you believe that you completed this just (843) about the last second, as it were, and then carried it over to the Government office? A. That is correct."

Mr. VanVoorhis: Passing to line 16 on the same page, page 223, offered by defendant, without objection:

"Q. Mr. Hammer, at the September 18, 1964, meetings did anyone other than you mentioned the numbers of any bidding block? A. No, I don't recall anyone.

"Q. Didn't Mr. Ogbi mention bidding block No. 59? A. No.

"Q. Did you mention bidding block No. 59? A. Yes.

"Q. Where had you learned anything about bidding block No. 59 prior to September 18, 1964? From what source? A. From our people in our organization, in our oil and gas division.

"Q. You mean by that geologists and engineers? A. Yes.

"Q. And they had submitted something to you in writing on that subject? A. No. We had discussed it and to the best of our knowledge at that time we felt that these were the most (844) attractive areas that we would be interested in.

"Q. You had nothing in writing? A. No.

"Q. Everything was oral? A. We may have had some maps that we bought. I think there were some maps that could be obtained in France.

"There were some services that supplied information which they had compiled, about the various areas that would be subject to bidding."

Mr. VanVoorhis: Now we pass from line 18, page 224 to page 225, line 22, reading again at the instance of defendant but without objection:

"Q. I want to show you, Mr. Hammer, Defendant's Exhibit 5 for identification. I ask you to read that letter and tell us when you have read it; just read it to yourself please."

* * *

"A. Yes, sir.

"Q. Have you read a copy of Defendant's Exhibit 5 before you went to London for the September meeting? (845) A. I am not sure of the date. I would have no present recollection of whether it was read before I left or whether it crossed with my leaving.

"I don't know whether I was in Los Angeles when it arrived.

"I know I received it with Mr. Allen's letter of September 8th but I have no present recollection.

"Q. Would it refresh your recollection if I told you that you had a copy of Defendant's Exhibit 5 with you in London? A. Well, I have no recollection of it.

"Q. So that does not refresh your recollection? A. No.

* * *

"Q. Was there any discussion with General deRovin about what oil field Occidental Petroleum would get, according to General deRovin? (846) A. No, there was no discussion with General deRovin.

"We were—there was some discussion with, I believe, Mr. Galic as to what concessions Occidental was particularly interested in.

"I believe that is where the 32 and 59 bidding blocks were mentioned.

"Q. Could you tell us what that discussion was between, I take it, you and Mr. Galic? A. Mr. Galic and —Mr. Galic said that he felt that he could be helpful in our getting the areas that we would be most interested in, and at that time I mentioned 59 and 32, I believe.

"The other one, we had some interest in that at that time.

"Q. Is it a fact that 42-B was the best of all concessions, to your knowledge?

"Mr. Nizer: You mean at that time?

"Mr. Greenspoon: Yes. Yes.

"A. No. 42-B at that time was not even mentioned. It was—42-B was a part of 59, which was later—later 59 was split up into several blocks, as I mentioned yesterday—42-B was one of those.

"Q. To your knowledge, at that time was 59 the best (847) of all the concessions? A. It is hard to say what was the best. At that time we felt that we were most interested in 59 and 32.

"Q. Was that on the basis of reports, geological and engineering reports, which you had received? A. Yes."

Mr. VanVoorhis: Question offered by Plaintiff:

"Q. And I take it that these were all oral and none of them in writing? A. I said previously that they may have been—there may have been some maps and some indications from services that—or from consultants, I don't know, who our people in Bakersfield—who the people in Bakersfield would rely on, where our oil and gas headquarters are located.

"Q. What I am trying to find out is whether any engineer or geologist employed by Occidental had surveyed the field prior to the London meeting, and had rendered written reports to you thereon. A. I don't recall any.

"Q. Had any of these engineers or geologists employed by Occidental done any survey work in Libya prior to the London meeting? (848) A. I don't recall any.

"Q. If any such geology or engineering work was done, would that have been under the supervision of Mr. Vaughan? A. Yes.

"Q. When you were at the London meeting, did you have any written reports from any geologist with you? A. No."

Mr. VanVoorhis: The defendant offers this, without objection:

"Q. In connection with the Libyan problem, did you employ any independent geologist or engineer to assist you? A. Yes.

"Q. Were they American engineers and geologists or Libyan engineers or geologists? A. I believe they were American engineers and geologists.

"Q. Were they employed at any time prior to the London meeting? A. I have no recollection of that.

"Q. Who employed these independent geologists and engineers? A. It would have been our oil and gas people in (849) Bakersfield.

"Q. Would that be Mr. Vaughan? A. Mr. Vaughan would be the man in charge of that, yes."

Mr. VanVoorhis: Continuing, the plaintiff reading:

"Q. But you, yourself, have no personal knowledge of when these engineers and geologists were employed, or who they were; is that correct? A. We employed one, I recall, by the name of Mr. Lawler.

"I don't recall any others.

"Q. Had Mr. Lawler been employed by the time of the London meeting? A. I am not sure; he may have been employed after the London meeting.

"Q. Was Mr. Lawler employed prior to February 1966? A. Yes.

"Q. Was he employed prior to July 29, 1965? A. I am not sure of that. I believe he was.

"Q. Was the salary, or other expenses attributable to Mr. Lawler, entered on the books of Occidental as an expense of the Libyan project? A. Yes."

(850) Mr. VanVoorhis: Passing from line 8, page 231 to page 233, line 24, offered by Occidental, without objection:

• • •

"Q. Look at page 12 of Plaintiff's Exhibit 11, Mr. Hammer, and tell me whether or not the picture and the detail thereunder refreshes your recollection as to the date on which the Libyan government opened the bids? A. First I would like to say that the bids were not opened, as I have testified yesterday.

"There was certain information about the bid, which was made public.

"The picture shows Mr. Vaughan explaining to the petroleum minister some of the aspects of Occidental's proposal.

"Q. Now my question is, does the matter contained on page 12 of Plaintiff's Exhibit 11 for identification refresh your recollection as to the dates the bids were opened? A. Yes.

"Q. As so refreshed, what is your recollection of (851) the date on which the bids were opened? A. It states here that the date was February 20, 1966—or July 31, 1965—I am sorry.

"Q. That was the date the bids were opened? A. Yes.

"Q. And that is your recollection of the date the bids were opened; is that right? A. Yes.

"Q. Were you present on the date the bids were opened? A. No.

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"Q. Had you come back to the United States for that time? A. I don't know. I was not there—I think I had left Libya."

• • •

"Q. In other words, immediately upon filing of the submission on July 29th, you left Libya; is that correct? A. Yes.

"Q. And Mr. Vaughan stayed on for the opening of the bids; is that correct? (852) A. Correct."

Mr. VanVoorhis: Now there is some material here that defendant offers that we object to.

Would you wish to read it, Mr. Nizer?

Mr. Nizer: (Reading)

"Q. What did Mr. Vaughan report to you, if anything, concerning the opening of the bids? A. He said that when the—that when it was announced that Occidental had offered the 5 per cent agricultural contribution, for the development of Kufra and other agricultural projects, it created a sensation in the room.

"Q. Is that all he said? A. And he said that the president of—I believe it was Mobiloil or Mobiloil International, congratulated him on the creativeness and ingenuity in making such an offer, and I believe he said he turned to their representative in Libya and said, 'Why didn't you think of this?'"

Mr. VanVoorhis: This, we submit, is hearsay and irrelevant, immaterial, and incompetent.

The Court: Why don't we consider it in the category of self praise and let it go at that?

Mr. VanVoorhis: All right, your Honor.

(Reading.)

(853) "Q. Did he report to you on what, if anything, Mr. Kabazi said about the 5 per cent? A. No. Mr. Kabazi apparently just read from our submission.

"Q. Did Mr. Vaughan report to you the name of the Mobil representative with whom he spoke? A. No.

"Q. Do you know who the man is? A. No.

"Q. Mr. Hammer, did you discuss, after the September meeting with Mr. Galic, the question of selling any concessions that were obtained in Libya? A. No.

"Q. Did you discuss that subject with General deRovin or with Mr. Ogbi? A. No.

"Q. Did you authorize or suggest to Mr. Brenner that he should discuss that subject matter with Messrs. Galic or Ogbi or deRovin? A. No, sir.

"We were never at any time interested in selling any concessions that we might obtain in Libya."

Mr. VanVoorhis: Passing from line 24, page 236 to page 239, line 2. Again, reading at the (854) instance of the defendant but without objection:

"Q. Did you have a meeting in London with Mr. Galic in November, 1964? A. Yes, sir.

"Q. Who arranged for that meeting? A. I don't remember. It may have been a meeting which—which was —at the time I was making a trip to Europe on other business.

"Q. After your meeting in London in September, did you receive a telephone call from Mr. Galic, or did you call Mr. Galic on the telephone? A. I may have.

"Q. What is your best recollection? A. I have no present recollection.

"Q. See if this will refresh your recollection, that Mr. Galic in one of these conversations suggested to you that he had an approach in Libya far superior to an approach through Mr. Ogbi.

"Does that refresh your recollection as to any of these conversations? A. I remember Mr. Galic saying that after we had gotten the credit report on Mr. Ogbi, that he felt we should terminate with Mr. Ogbi and we should

look for another source of representation in Libya, and he suggested a (855) man by the name of Mr. Frottier."

Mr. VanVoorhis: Passing from line 4, page 240 to line 22 on page 242:

"Q. By the way, have you found that credit report? A. No—

* * *

"Q. In these conversations following September, wasn't the name of Kabazi mentioned? A. No."

Mr. VanVoorhis: The plaintiff continues:

"Q. Did Mr. Galic ever mention the name of Kabazi to you at any time prior to July 29, 1965? A. I don't recall.

"Q. What is your best recollection on that subject, (856) that he did or he did not? A. My best recollection is that he did not?

"Q. Did Mr.— A. I think there may have been one communication in which he mentioned the petroleum minister. He indicated that he wanted me to meet him and meet the minister, and he made a—he wrote a letter about this time saying that now he was—that since Frottier had not proven to be a trustworthy source of representation in Libya that now he had a third source and he wanted—he wrote something, and I don't remember the details.

"He wanted some letter from me to show to somebody in Libya.

"The whole thing was so fantastic and so improbable and by that time I was fed up with the whole idea—I mean, the whole thing was nothing but, in my opinion, a hot air scheme from the very beginning, including Allen, deRovin, Galic and Ogbi and Frottier, and now he had another man and wanted me to meet the petroleum minister.

"I made up my mind by that time to have nothing more to do with the whole bunch."

The Court: Off the record.

(Discussion off the record.)

(857) Mr. VanVoorhis: (Reading)

"Q. When was 'by that time'? A. That was the time when—when I believe he mentioned the petroleum minister.

"Q. Do you have a copy of that letter which you say Mr. Galic wrote to you? A. I don't know whether it was a letter or it was a conversation; I am not sure.

"Q. Let's look at the files now and see if such a letter appears there. A. It may have been a conversation on the telephone.

"Q. Let's look and see if there is such a letter, now."

• • •

"Q. What else was said in this conversation other than about meeting the Minister of Oil? A. He said something to the effect that if I would meet the Minister of Oil, then maybe I would have more confidence.

"He had a feeling that I was losing confidence in him (858) and in everything that he had proposed up to that time.

"Q. Did this conversation take place in 1964 or in 1965? A. I believe it took place in 1965, some time prior to the time when I terminated the arrangement with Mr. Galic and with Allen & Company and with deRovin and with Ogbi."

• • •

"Q. Did you, prior to November 1964, attempt to get in touch with Mr. Kabazi? A. No."

• • •

"Q. Did you ask Mr. Brenner to call on Mr. Kabazi? A. No.

(859) "Q. Did you ask Mr. Vaughan to call on Mr. Kabazi prior to November 22nd, 1964? A. No.

"Q. You knew by that time, did you not, that Mr. Kabazi was the Minister of Petroleum? A. Yes.

"Q. He became the Minister of Petroleum some time prior to the fall of 1964, isn't that correct? A. I think that is correct."

Mr. VanVoorhis: This is offered by the defendant, without objection:

"Q. Let's go to this meeting in London in November 1964. Can you fix an exact date for that meeting? A. No.

"Q. Who was present at that meting? A. Mr. Galic was present.

"I don't know whether Mr. Brenner was present or not.

"Q. Was Mr. Frottier present? A. No.

"Q. Was Mr. Ogbi present? A. No.

"Q. So it was solely between you and Mr. Galic? A. Yes.

(860) "Q. What did you say to Mr. Galic and what did he say to you in November 1964 in London? A. I told Mr. Galic that we were unhappy about the information we had about Mr. Ogbi's financial standing and the credit report which we had received, and that we felt that both he and General deRovin had misrepresented Mr. Ogbi's stature and standing financially. He was just a small businessman.

"At that point, Mr. Galic said that he had another representative for us who, he was sure this time, could render great services to us in helping us to get concessions in Libya.

"He mentioned Mr. Frottier and asked me if I would give Mr. Frottier the same agreement, substantially the same agreement that we had given Mr. Ogbi.

"I said that I would, with the following conditions:

"That, if we didn't get concessions by, I believe it was forty-five days from the date of the agreement, then the arrangement was terminated, and that if—and then Mr. Galic asked that he be given the same contract that he had in connection with Ogbi, so that he would receive the same compensation if Frottier rendered services, which helped us to get (861) concessions.

"And I agreed to that, but I said that the Galic agreement had to be terminated at the same time as the agreement with Frottier.

"The agreement with Galic is available in our files, and I assume we can produce it. I have it right here."

Mr. VanVoorhis: Passing now from line 22 on page 249 to page 250, line 6. This is offered by the defendant, without objection.

"Q. Did I understand you to say, Mr. Hammer, that in the writing with Frottier, there was a forty-five day termination clause? A. That was my best recollection.

"Q. When did the forty-five days commence to run? A. I believe from the date of the agrement.

"Q. Was it also your understanding of the agreements made at that time that Galic's would terminate at the same time as Frottier's? Is that correct? A. I believe so.

"Q. I take it that is the meaning which you attribute to paragraph 5 of Plaintiff's Exhibit 5, is that correct? A. Yes."

Mr. VanVoorhis: Which number is Exhibit 5?

* * *

(863) "Q. By the way, was a document signed by Mr. Frottier on that occasion? A. I am not sure. I know I signed it and sent it to Mr. Frottier, or delivered it to Galic.

"I believe at a latter date, when the forty-five days were up, I received a communication or a telephone call, I am not sure—I received that from Mr. Galic (864) asking me to extend it, and it was extended, I believe to February 28th, and maybe eventually March 31st.

"Q. Of what year? A. 1965—I am not sure.

"Q. Were those extensions in writing? A. I believe so.

"Q. Did they relate solely to Mr. Frottier or did they also relate to Mr. Galic? A. I believe they related also to Mr. Galic."

Plaintiff reading:

"Q. Did you forward to Allen & Company any copy of the agreement which you made with Mr. Frottier or any copy of the agreement which you made with Mr. Galic in November, 1964? A. I relied on Mr. Galic furnishing Allen with copies of the agreement.

"Q. So that your answer is that you did not do it? A. No.

"Q. Did you pick up the telephone and call Mr. Charles Allen, Jr. and tell him about these arrangements which you were making with Galic and Frottier in London? A. No, but I believe I got a call from Mr. Herbert Allen.

"Q. When? (865) A. I am not sure. On my return to Los Angeles—I am not sure whether I called Herbert or he called me.

"That was the occasion when Mr. Herbert Allen said that he wanted to have something in writing confirming our arrangement with Allen & Company.

"Q. Yes. A. And he wanted it to cover both situations, the Ogbi situation and the Frottier situation.

"Q. Would you give us the words which Mr. Herbert Allen uttered to you in that telephone conversation? A. I don't remember the words at this time.

"Q. Give us the substance of it. A. I have given you the substance just now.

"Q. In other words, you say that Mr. Herbert Allen said to you that he wanted to have something in writing covering both situations, the Ogbi and the Frottier situation; is that right? A. Right.

"Q. What did you say to that? A. I said, 'I will send you something. I will dictate a letter and send it to you.'

"Q. Covering both situations? A. Yes.

"Q. Did you dictate a letter and send it to Mr. (866) Allen covering both situations? A. Yes.

"Q. Will you produce such a letter?

"Mr. Nizer: Exhibit 12. It's in the case."

Mr. Nizer: Now P70.

Mr. Greenspoon: 71.

Mr. Nizer: This is 70, before the change.

Mr. VanVoorhis:

"Q. I show you Exhibit 12"—P70—"and ask you if this is the letter which you dictated in response to the telephone conversation which you say you had with Mr. Herbert Allen. A. Yes.

"Q. Is Exhibit 12 the only letter which you dictated in response to the telephone conversation which you had with Mr. Herbert Allen? A. Yes. I believe when Mr. Allen received this letter he called me on the telephone and said—

"Q. You are getting ahead of things. Can we keep that? A. You asked me if there were any other writings—

"Q. Go ahead. A. And there was another writing. I am trying to answer your question.

(867) "Q. Go ahead. What was the other writing? A. He said that I had omitted something that was of major importance and had been in our original oral understanding, namely, that the sharing of costs and moneys invested had to be mutually agreed upon.

"And I said to him, 'Well, change the letter the way you understand it, initial it and send it to me.'

"He did. And when I received it, I initialed a copy and sent it back to him, and I believe it was with a covering letter.

"Q. In the conversation with Mr. Herbert Allen which preceded your dictating Exhibit 12," which is P70, "did you read to him the terms of the Frottier letter? A. No.

"Q. Did you discuss with him the terms of the Frottier letter? A. Well, we discussed the fact that Frottier—that the Frottier arrangement was similar to the Ogbi arrangement.

"Q. That is what you told Herbert Allen? A. Yes.

"He may have had a copy from Mr. Galic. I don't know. I assume that Mr. Galic was suppying Mr. Allen with copies of all pertinent documents.

(868) "Q. In this conversation with Mr. Herbert Allen which preceded your dictating Exhibit 12," P70, "did you discuss with him the terms and conditions of the November 22nd letter between you and Galic? A. I believe that we discussed the fact that the arrangement with Galic was similar to the arrangement he had in the Ogbi situation."

We pass from line 22 on page 255 to line 23 on page 257, reading at the instance of plaintiff:

"Q. In that conversation which preceded the dictating of Defendant's Exhibit 12," P70, "did Mr. Herbert Allen—by the way, what was the date of that conversation? A. It was—I can't pinpoint it exactly. It was on or about the time or shortly before the letter of December 17th was written.

"Q. It was certainly after you and Mrs. Hammer had returned from your pleasant trip? A. That is right.

"Q. And you returned from your pleasant trip around December 9, 1964, isn't that correct? A. That is correct."

Passing now to line 23 on the same page, 258, at the instance of defendant, but without objection:

• • •

(869) "Q. Do you have in your hand, Dr. Hammer, a copy of Defendant's Exhibit 12 for identification?"

And I add parenthetically that the context indicates that must have been P71.

"A. Yes.

"Q. With the exception of the handwritten material thereon, was Defendant's Exhibit 12," P71, "for identification dictated by you? A. Yes.

"Q. Who is 'D.P.'? (870) A. My secretary.

"Q. What is her name? A. Dorothy Prell.

"Q. Do the initials 'AH:DP' on the bottom of Defendant's Exhibit 12," P71, "indicate that you, Armand Hammer, actually dictated that letter? A. Yes, sir.

"Q. Did you have the assistance of counsel in the dictation of Defendant's Exhibit 12?" P. 71. "A. No.

"Q. Did you discuss Defendant's Exhibit 12," P71, "with any officer or director of Occidental before you mailed it to Herbert Allen? A. No.

"Q. Did you show Defendant's Exhibit 12, after it was typed, to any officer or director of Occidental? A. No.

"Q. Did you show this, Defendant's Exhibit 12," P71, "to Mr. Vaughan? A. Not at that time. He may have seen it later.

"Q. Was there anyone present, other than you and Miss Prell at the time you dictated Defendant's Exhibit 12?" P71. "A. No.

(871) "Q. The first sentence begins: 'Confirming our recent conversation.'

"Is that the conversation to which you have testified a few moments ago? A. Yes.

"Q. You go on to say: 'We agree to the same arrangements with you on the possible second concessions as on the first concessions.'

"Do you see that? A. Yes, sir.

"Q. What were the first concessions to which you made reference? A. Those were the concessions mentioned in the arrangement with Mr. Ogbi.

"Q. Do you mean bidding blocks 32 and 59? A. Yes.

"Q. Then what were the second concessions? A. We had not indicated in the agreement with Mr. Frottier, as I recall—I am not sure, it could have been the same concessions but his language here means any possible concessions that we could have obtained, either through the help of Mr. Ogbi or through the help of Mr. Frottier, would be covered by this letter.

"Mr. Herbert Allen was particularly desirous (872) of making sure that the same arrangement that pertained to any possible concessions we might receive under the arrangement with Ogbi would apply to any possible concessions we might receive under the arrangement with Mr. Frottier."

Passing now to line 25, on the same page, 261:

"Q. In other words, you are saying to us that the arrangements referred to in Exhibit 12 with respect to the first concessions related to the conversations you had with Mr. Allen in London? A. Yes.

"Q. Is that correct? A. Correct.

"Q. And did not relate to any other conversations that you had with Mr. Allen? A. Correct."

* * *

(873)"Q. In the pre-Christmas 1964 conversation, after Mr. Allen received Defendant's Exhibit 12 for identification, did Mr. Allen refer to his letter to you dated December 9, 1964? A. I don't recall.

"Q. Is it your best recollection that he did or he did not? (874) A. I have no better recollection."

Passing from line 11, page 265, to line 7 on page 267:

"Q. Was there any discussion about putting in a bid for concessions in Libya? A. I don't recall."

Now, here are two questions that are offered by defendant to which plaintiff objects. Did you want to read them?

Mr. Nizer: All right.

"Q. Did you bring Mr. Allen up to date on what you were doing, if anything, in Libya? A. I believe he told me that he had—that he was being informed by Mr. Galic.

"Q. In other words, Mr. Galic was informing Mr. Allen of what Occidental was doing in Libya; is that correct? A. He was informing Mr. Allen what he was doing for Occidental in Libya."

* * *

(875) "Q. What did Mr. Allen report to you had been reported to him by Mr. Galic as to what Mr. Galic was doing in Libya for Occidental? A. I think he mentioned that he reported that he had found Mr. Frottier, who he thought would be able to do the job that Mr. Ogbi was supposed to do and that he had great confidence in Mr. Frottier, in Mr. Frottier's (876) ability to be of great help to us.

"He had urged me to give Mr. Frottier the same kind of arrangement that I had in general given to Mr. Ogbi —and also to give Mr. Galic a letter which would give Mr. Galic compensation if through his intervention we were able to obtain oil concessions in Libya."

* * *

"Q. What else did Mr. Allen report to you had been reported to him by Mr. Galic? A. That's all I can recall. There was some question about expenses, I believe, and Mr. Allen suggested that he pay 25 percent of Mr. Galic's expenses and that we pay 75 percent of Mr. Galic's expenses.

"I told Mr. Allen that this was premature. I felt at this stage we should wait and see whether Mr. Galic had performed under his agreement and that we were paying

our own expenses and Mr. Vaughan's expenses, Mr. Brenner's expenses, and all other expenses in Libya, and Mr. Galic could pay his own expenses.

"So could Mr. Allen, if he had any expenses.

(876a) "Q. Are you sure this is a conversation that took place"—

* * *

(877) Mr. VanVoorhis: Page 272, Line 3, plaintiff continuing:

"Q. As a matter of fact, Mr. Brenner reported to you about this time that he had met with Mr. Galic in Libya; isn't that so? A. I am not sure of that. I assume he met with Mr. Galic in Libya.

"Q. You mean to tell me that Mr. Brenner wasn't reporting to you what was happening? A. Yes. He was reporting to me, but I don't know whether it was exactly that time, about that time.

"I should think he met Mr. Galic in Libya—I don't know whether he did or not—Mr. Galic was making several trips to Libya and Mr. Brenner had made trips to Libya, and I don't know on which trip they both met."

Passing now from line 15 on page 272 to line 2 on page 273, plaintiff reading:

"Q. How was he reporting to you about what was going on in December 1964? A. By telephone.

"Q. He was calling you from Libya? A. No. He wouldn't—no one would speak from Libya. The telephone connections with Libya were such that it was impossible to carry on a telephone conversation.

(878) "Q. You mean to say Mr. Brenner reported to you on the telephone what was going on in Libya in December 1964 and not in writing? A. Yes, he was calling me on the telephone."

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Passing now from line 12 on page 273 to page 276, line 8. This is offered by defendant without objection.

"Q. Did you at any time meet Mr. Galic in Libya? A. No.

"Q. At no time? A. At no time."

* * *

(879) "Q. Did Mr. Vaughan, to your knowledge, meet Mr. Galic in Libya? A. I do not know.

"Q. Did you send Mr. Vaughan over to meet Mr. Galic in Paris? A. No. I believe that Mr. Vaughan met Mr. Galic in Paris on one of his trips, and I seem to recall that Mr. Galic invited Mr. Vaughan to his home and gave him a dinner there, and Mr. Vaughan reported that to me when he returned to the States.

"Q. When did that meeting take place between Mr. Vaughan and Mr. Galic? (880) A. I wouldn't remember now. I know there was such a meeting in Paris."

Continuing, and this is offered by defendant but without objection.

"Q. Was there any correspondence in your files which would refresh your recollection on that subject matter? A. I don't recall.

"Q. Did Mr. Galic write a letter to Mr. Vaughan, to your knowledge? A. I don't recall.

"Q. Did Mr. Vaughan write a letter to Mr. Galic, thanking him for his hospitality, or otherwise? A. I don't recall."

Passing from Line 24 on Page 277 over to Page 283, Line 8, offered by defendant without objection.

"Q. Mr. Hammer, will you tell us in whose handwriting the words 'Encl. Nat. Incl.' appear on Plaintiff's Ex-

hibit 12 for identification? A. That is my secretary's handwriting. Her initials are right after her handwriting."

Plaintiff's Exhibit 12 is P78. Continuing, the plaintiff reading.

"Q. Apparently you had a telephone conversation on January 22, 1965, with Mr. Galic, isn't that so? (881) A. Yes.

"Q. Who called whom? A. He called me.

"Q. Did you make a memorandum of that telephone conversation? A. No.

"Q. What did Mr. Galic tell you in that conversation and what did you say to him? A. He stated in that conversation that he now had a new prospective representative for us in Libya. He apparently wasn't too happy about Mr. Frottier now.

"Q. Is that what he told you?"

The Court: Is that 284 now?

Mr. VanVoorhis: Yes, plaintiff reading.

"A. Yes.

"Q. Go ahead. A. And he said that this new contact of this new future representative was connected in some way with the royal family. It looked to me like some more hot air.

"Q. Is that what you told him? A. No, I said it looked to me like hot air.

"Q. Let's just have the conversation and then we will get your characterizations later. (882) A. He asked me if I would give him the same kind of letter that I gave to Frottier, and I said, 'What are the names of these people? I would like to know who they are. I would like to write to them directly.'

"He was evasive, and he said, 'You know how it is, the mail, I cannot give this to you. I cannot put this in writing.'

"It seemed—it was, as I understood it, very much like usual promoter's tactics, and I paid no attention to this letter and I never replied to it and I never sent him the information he requested.

"As a matter of fact, when I got his letter of January 22nd, even the form letter that he wanted me to send was not enclosed in the letter. Perhaps he changed his mind by that time."

* * *

"Q. Did he tell you in that conversation that he had received some news about what was going to happen in Libya concerning oil concessions? A. He may have. I don't know, by that time—

(883) "Q. What is your best recollection? A. By that time my confidence in him was getting shaken.

"Q. Was this a collect call to you? A. Most of his calls were collect.

"Q. You accepted the call, didn't you, even though it was collect? A. Well, I don't like to be small about things like that. I am not going to quibble about accepting a collect call, maybe he was not at his home, maybe he was at an outside place. Sometimes he sent them collect, sometimes he paid for the call.

"Q. In any event, what did he tell you, if anything, about what news he had out of Libya? A. I don't recall what the news was. All I recall was that he dragged in the name of the royal family and this time—

"Q. What is— A. Just the name of the royal family, this time. He was puffing and he was promoting and his language was such that I was beginning to have great doubts about Mr. Galic now that Ogbi had not turned out, apparently his confidence in Mr. Frottier was being shaken, and now he was bringing (884) up another—someone else who he claimed was connected with the royal family.

"At that time I had reason to be doubtful of all of Mr. Galic's activities."

Now this is offered by defendant and we object to certain portions of it. Perhaps I will read the part that we don't object to.

"Q. Did you tell him that you had reason to be doubtful of all his activities in that telephone conversation? A. No, certainly I wouldn't tell him that on the phone. I did indicate that I was skeptical, and I did tell him that I was disappointed in the way he—the Ogbi thing had turned out, and now the way the Frottier thing was turning out, and I certainly wouldn't send him agreements for people I didn't even know the names of.

"Q. Didn't he mention anyone's name in the conversation? A. No, he didn't."

* * *

(885) Mr. VanVoorhis: Continuing, Page 287, Line 2, by plaintiff.

"Q. Did you tell him, 'You are fired, Mr. Galic,' in that conversation? A. No, I had no reason to tell him that."

* * *

"Q. During the time that you were working on your proposal, did you have any geological studies prepared by or under the supervision of Mr. Vaughan to help you? (886) A. Mr. Vaughan took care of that. I am not sufficiently interested technically to even understand what such studies would be. I assume Mr. Vaughan did whatever he thought was necessary in order to make the selection that he did.

"Q. Selection of what? A. Of the areas for which we bid.

"Q. You mean that Mr. Vaughan determined that selection? A. Yes.

"Q. And when did Mr. Vaughan determine that selection? A. At the time he made the application for the concession.

Armand Hammer, E.B.T.

"Q. Was the selection determined before you commenced to write the submission, or during the time you were writing the submission, or when? A. I don't know. I think Mr. Vaughan had it ready in his mind, what he wanted, and that was what he incorporated in the application."

Passing from Line 16 on Page 295 to Page 296, Line 11, read by plaintiff.

"Q. Let me see if I have it straight. Was all of (887) the work in connection with the submission done in Libya or was some of that done over here in the United States and then taken to Libya for finalization? A. I think that there was some done in the United States that had to do with the corporation, and I think there had to be copies of bylaws and they had to be certified by the Libyan Embassy, as far as I can recall, and I think the application itself was prepared in Libya, but there may very well have been some part of it that was prepared in the United States."

(888) "Q. Were you in Libya during the entire time that the submission was being worked on? A. I believe I was

"Q. Was that for several months?"

Page 297:

"A. No. It was probably a week or so, ten days, maybe, prior to filing of the application.

"Q. In other words, when you were testifying yesterday about the work commencing two or three months prior to the submission, you were talking about the work being done in the United States, as opposed to the work being done in Libya? A. It could very well have been.

"Q. Did you and Mr. Vaughan work on the material being prepared in the United States? A. Mr. Vaughan worked on it, and a Mr. Hebner of our organization,

the secretary-treasurer of our company worked on it, worked on that part that was prepared in the United States.

"Q. Was that work done in California? A. Yes.

"Q. And in the hierarchy of Occidental, does Mr. Hebner report to you? A. Yes.

"Q. Did you from time to time in California review (889) the work that was being done by these gentlemen? A. Yes."

Page 298, Line 9, offered by defendant without objection.

"Q. In March 1965, did Mr. Vaughan tell you that he had been assured by Galic that you would get the concessions you wanted? A. I don't recall any such statement by Mr. Vaughan.

"Q. And you do not recall Mr. Vaughan's ever showing you any letters he received from Galic? A. I don't recall any."

Passing from Line 15, 298, to Page 302, Line 24, read by plaintiff.

"Q. Do you know what draft Mr. Galic is referring to in Plaintiff's Exhibit 14 for identification?"

* * *

(891) "A. I think he means note.

"Q. What note do you think he means? A. The note that he got from Mr. Ogbi.

"Q. That $5,000 note? A. Yes, it might have been one note or it might have been $10,000, and it might have included the $5,000 that I had advanced.

"Q. In other words, Mr. Galic might have been collecting for both of you? A. That's correct.

"Q. Under a single note? A. That's right."

Now reading for defendant but without objection.

Armand Hammer, E.B.T.

"Q. To refer to Plaintiff's Exhibit 13, the fourth paragraph, where he says, 'I need another letter confirming that I am to receive one million dollars, et cetera,' did you ever send Mr. Galic such a letter? (892) A. No, sir."

Mr. Greenspoon: Plaintiff's Exhibit 13 is January 21, 1965. That is P77. I offer Plaintiff's Exhibit 77 for identification.

* * *

"Q. Did you advise either of the Allens that you had received such a request from Mr. Galic? A. I don't recall advising him.

"Q. Did you send a copy of this letter, Plaintiff's Exhibit 13 to either of the Allens? A. No, sir."

* * *

(893) "Q. He goes on to say: 'Which I have to give to the last contact.' Did he tell you the name of the last contact? A. No, he didn't.

"Q. Was this supposed to be someone subsequent to Frottier? A. Yes. That's about what I testified this morning, the so-called mysterious person whose name he wouldn't divulge."

Plaintiff continues.

"Q. He goes on to say that he is awaiting a telegram to fly to Rome 'to pick up you people before I go to Tripoli.' Were some of your people, that is, Occidental's people supposed to meet Mr. Galic in Tripoli at that time? A. It is possible. I don't remember."

Defendant offering without plaintiff's objection.

"Q. You have no recollection of any report emanating from Mr. Brenner or Mr. Vaughan with respect to a meeting with Galic in Tripoli? A. No, I do not.

"Q. Or in Rome? (894) A. No, I do not.

"Q. Then he goes on to say: 'I also hope that you have prepared all the letters in duplicate.' Do you know to

what letters he is referring? A. The letters that he expected me to write which I didn't write.

"Q. In other words, that is the letters in the last paragraph—the letter which he refers to about the one million dollars in the fourth paragraph? A. Yes."

Now, we object to the next sentence.

"The whole thing, when I got it, was as I explained to you earlier, it seemed to me like a lot of hot air and I was suspicious that that thing was not—that there were no such persons, and I didn't believe Mr. Galic."

Mr. VanVoorhis: That we object to as self-serving and conclusory.

The Court: It is self-serving. It is recognized as such.

"Q. He also mentions a letter which he asked you to send to show to Mr. Ogbi. Do you recall when Mr. Galic asked you for such a letter? A. Yes. I believe it was in the telephone conversation. I sent no such letter.

(895) "Q. Wasn't the purpose of this letter to kind of ease Mr. Ogbi out? Wasn't that what you two were talking about at the time? A. I think he was, Mr. Galic was recommending that we terminate with Mr. Ogbi."

Passing then from Line 22 on Page 305 to Page 308, Line 16, plaintiff reading:

"Q. I believe you also told us yesterday that you deferred sending out any termination notices because you had fears that something might upset the situation in Libya—that Mr. Galic or someone else may do such a thing—along those lines, is that correct? A. Yes.

"Q. Now, sir, what was the factor which motivated you in sending out what you called termination notices on July 16, 1965? A. I had started to have doubts about Mr. Galic when it turned out that Mr. Ogbi was not the man that Mr. Ogbi and General DeRovin had represented him to be—"

Mr. Nizer: Mr. Galic and Mr. DeRovi you mean?

"A. Mr. Galic and Mr. DeRovin. Mr. Frottier turned out to be a man to be of no help to us. My doubts were increased more when Mr. Galic then wanted to bring in a third (896) representative and started mentioning payments of a million dollars to—for each concession and mentioned names of the royal family.

"My doubts were increased still further, and I was beginning then to have complete doubts that I wanted to have anything more to do with Mr. Galic.

"However, I was—I felt that if I had abruptly terminated our arrangement with him, he and General DeRovin might have done some harm to our chances of getting concessions in Libya.

"But when I got the letter from Herbert Allen regarding General DeRovin, this was so horrifying that I decided that definitely, then, that as soon as possible, I must terminate, and we did terminate in July.

"By that time we felt that we were not afraid that he would be able to block us in getting concessions.

"Q. I take it that you had such a fear in March 1965, is that correct? A. Yes.

"Q. And you had such a fear in April 1965? A. Yes.

"Q. And in May 1965? A. Yes.

(897) "Q. Right? A. Yes.

"Q. And in June at the time you terminated with Mr. Ogbi, you still had such a fear? A. That's correct.

"Q. What event happened between June 10, 1965, and July 16, 1965, that overcame your fear? A. Well, one event was getting a letter from the Chase Bank on July 15 which put us in a strong financial position, so that Mr. Galic could not represent that we were not financially strong enough to carry out our obligations.

"Q. Is there anything else? A. No, that was—I don't recall. That is one of the things.

"Q. Had Mr. Galic prior to that time represented to the Government of Libya that Occidental was not strong enough financially to carry this, and that they needed Allen & Company? A. I don't know what he represented to the government.

"Q. No one had ever told you that? A. No.

"Q. And you felt that the July 15th letter from (898) Chase strengthened your hand from a financial point of view? A. Yes.

"Q. And that opened the door, then, to sending the letters on July 16th? A. Yes.

"Q. Was there anything else which helped open the door to sending the letter? A. I felt that our whole position in Libya was strong enough by that time so that I was not fearful of any damage he could do."

(899) "Q. Can you point to a single event which strengthened your position in Libya at that time? A. I think our decision to offer the Libyan government the 5 per cent agricultural payment was something that I felt would put us in a strong position.

"Q. Do you recall when you asked Chase for the letter, Plaintiff's Exhibit 9 for identification?"

Now P12.

"A. No, I don't.

"Q. Was it very long before July 15th? A. I don't recall.

"Q. Was it within a week? A. I don't recall.

"Q. Is there any document or memorandum or anything in your files from which you could refresh your recollection on this subject matter? A. I will look.

"Q. During this period of time from March to July, did you employ anyone other than Galic, DeRovin or Ogbi to help you in obtaining concessions in Libya? A. Yes, we had people employed.

"Q. I mean other than full-time employees, of course, of Occidental. A. Yes."

(900) We pass from line 22 on page 312 to page 314, line 9, and this is offered by defendant without objection:

"Q. Were these employees reporting directly to you? And by 'employees' I am talking about agents other than full-time employees, of course, you understand? You understand— A. Yes.

"Q. You understand I am referring to agents and not full-time employees? A. Yes."

Passing from line 12, page 314 to page 316, line 19, also offered by defendant without objection:

"Q. Did Mr. Galic advise you that these agents could be helpful to you? A. No."

Passing from line 23 on page 316 to page 317, line 14, plaintiff reading:

"Q. Mr. Hammer, we know that you did submit a proposal on June 29, 1965, that it was opened, according to your annual statement of 1965, on July 31st.

"Ultimately it was announced that you would receive certain concessions on February 20, 1966. Is that correct? A. Yes.

(901) "Q. Between July 31, 1965, and February 20, 1966, did you, Mr. Hammer, personally discuss your bid with any officials of the Libyan Government? A. No.

"Q. Did Mr. Brenner discuss your bid with any officials of the Libyan Government during that period of time? A. Not to my knowledge.

"Q. Did Mr. Brenner report to you whether or not he had discussed the bid with any Libyan official during that period of time? A. No.

"Q. Did Mr. Vaughan discuss your bid with any Libyan official during that period of time? A. He may have.

"Q. Did he report to you on that subject? A. He may have.

"Q. What was Mr. Vaughan's report to you on that subject matter? A. Mr. Vaughan reported that the various bidders were called in and had discussions with the ministry about their bids, explaining their bids in detail and discussing them with the ministry.

"Q. Did Mr. Vaughan report to you what he said to the minister and what the minister said to him? (902) A. In some cases, yes.

"I don't recall exactly what conversations took place but I believe they were mostly of a clarifying nature.

"Q. Did Mr. Vaughan give you any written memorandum or reports on that subject matter? A. I don't recall any.

"Q. Could you give us your best recollection of what Mr. Vaughan told you about his conversation with any minister of Libya? A. Well, he told me that he was asked to explain his bids, that there were certain questions in connection with the ammonia plant, that there were questions in connection with the Oxytrol process, and there were explanations about the Kufra project.

"There may have been other points in our bid which needed explanation or clarification.

"Q. Did he tell you that he gave an oral explanation or clarification? A. Yes.

"Q. Or did he give it in writing? A. In some cases I think he gave it in writing.

"Q. Do you have copies of the writings which he submitted for the purposes of clarification or explanation? (903) A. He may have submitted them over my signature. He may have forwarded them to me in Los Angeles for me to sign and I may have signed—I think I did sign some of these letters.

"Q. Do you have any of them here? A. I think we have.

"Mr. Pollio: They are in evidence.

"Mr. Nizer: Which ones?

"The Witness: Here they are.

"Mr. Nizer: One is already marked, which we have produced, Plaintiff's Exhibit 2.

"The other is Plaintiffs Exhibit 3."

Mr. Greenspoon: They are Plaintiff's Exhibits 155 and 156 in evidence, your Honor.

Mr. VanVoorhis: Does your Honor wish to see them now?

The Court: My clerk will pass them to me.

Mr. VanVoorhis:

"Q. Is it your best recollection that Plaintiff's Exhibits 2 and 3 are the sole written clarifications or explanations which were submitted to the oil ministry? A. There may be others but I don't recall them.

"Q. Would you make a search and let us know on that subject? (904) A. Yes, I will.

"Q. You say also that he gave some oral explanation; is that correct? A. Yes.

"Q. Can you tell us what he told the minister orally, as reported to you by Mr. Vaughan? A. I don't recollect what they were orally.

"Q. Is there any memorandum or writing anywhere which would refresh your recollection on that subject matter? A. Well, this particular letter of December 30th—

"Mr. Nizer: Which is Exhibit 2.

"A. —states that, under Preference 11, Occidental agrees it will undertake to follow the most modern technical methods and adopt all safety measures for the preservation of natural gas and for determining the rate of production, completion practices and well spacing, in accordance with good oil field practice.

"Under Preference 17, Occidental's Item 8.A., in its original bid, we proposed that in lieu of gas being provided free by the Libyan Government, that a price will be paid which is consistent with that paid for gas used for similar industrial purposes in Libya.

"Under Preference 3, Item 8.C. of Occidental's (905) bid application, we substituted the following paragraph:

"'Each concession contract shall be regarded as an integral unit completely independent from other contracts accorded to us, for the purpose of calculating the income and expenditures derived by us, as well as the formula for obligations provided for in Article XI of the Petroleum Law.'

"Under Preference 8, Occidental agrees that it shall deposit all amounts necessary for local expenditures with one of the banks operating in Libya.

"Q. Is that, what you have just read, your best recollection of what Mr. Vaughan reported to you he told the oil ministry orally? A. That is also the—I think a very important matter—there was a change in the tax laws, and I think I testified to that before, and some of the bidders dropped out because they did not want to abide with the new laws which meant larger payments to the Government.

"We decided not to drop out but we decided to remain and keep our bid in.

"Mr. Vaughan prepared a letter which I signed, which is Exhibit No. 3."—

Now P15—

"which we notified the Libyan ministry that we would leave (906) in force and effect our bids for new oil and gas concessions, subject to all Libyan petroleum laws.

"Q. Are you saying that between the time you submitted your bid and the time of that letter, there had been a change in the Libyan tax structure upward, so that it would cost you more tax money; but despite that, you were not going to change your bid? Is that the purport of what you are telling us? A. I remember that, but it is possible that there may be a mistake in the date of this letter because he refers to a bid submitted on July 29th, and the letter, I notice, is dated July 27—

"Mr. Pollio: December.

"The Witness: December 27th—well, this is correct.

"Q. So, between those two dates, the tax laws were revised upwards, the tax bite was revised upwards, and you said, 'We will stand on our bid'? A. Right.

"Q. Is there anything in the Petroleum Intelligence Weekly which is helpful to you, in answering the question before you? A. Well, I note that the Intelligence Weekly emphasized the points which I just made and gives it in fuller (907) detail.

"It states that, 'During a period of sixty days from the date on which this decree law comes into force and effect by publication in the Official Gazette of the Kingdom of Libya, applicants for new petroleum concessions whose applications were opened on 31 July 1965 may, by notice given in writing to the Minister of Petroleum Affairs either affirm their intention to maintain their applications in force and effect unaltered or delete therefrom without any other modification there of any provisions thereof. Thereupon, such applications shall be deemed to be applications for concession agreements in accordance with Schedule II of the Petroleum Law No. 25, 1955, as heretofore and hereby amended.

"If such notice is not given by such applicant within such sixty-day period with respect to all his applications for such new concessions, every one of his applications for such new concessions shall be deemed to have been withdrawn and to be of no further force and effect.

"No new petroleum concessions shall be granted until after this decree law has been ratified by Parliament and after notice of such ratification has been published in the Official Gazette of the Kingdom of Libya."

* * *

(908) "Q. Mr. Hammer, from time to time in 1963 and 1964 and prior to July 16, 1965, did Occidental incur any expenses in connection with its Libyan venture? A. Yes.

"Q. And they would be such things as travel expenses and hotel and the like, is that correct? (909) A. Yes.

"Q. Were those expenses distributed to any particular accounting account? A. I don't know. I can't answer that.

"Q. Would it take someone in the treasury or the controller's department to know the answer to that question? Yes.

"Q. At any time prior to July 16, 1965, did you submit those expenses to Allen & Company and ask them to pay 25 per cent thereof? A. No.

"Q. Can you give me some idea of how you kept track of the expenses which you accumulated and incurred in connection with Libyan venture?

"Mr. Nizer: Are you still limiting it prior to July 16th?

"Mr. Greenspoon: I am limiting it prior to July 16, 1965.

"Mr. Nizer: You mean him personally?

"Mr. Greenspoon: Yes, him personally.

"A. No. I personally never rendered expense accounts to Occidental. I pay them all myself.

"Q. You mean you do not charge your travel expenses (910) to Occidental? A. No, sir.

"Q. Do you get an expense account? A. No. I do not.

"I pay my wife's expenses and I pay my own expenses out of my pocket, and I have done it since I was president of Occidental Petroleum Corporation.

"Q. In connection with your travels to Europe or Libya with reference to the Libyan project, did you have a company plane at your disposal? A. Part of the time, yes.

"Q. And on occasion you would use the company plane, is that correct? A. Yes.

"Q. How were the expenses of Occidental's plane distributed? Were any part of those distributed to the Libyan venture? A. I have no idea.

"Q. But in any event, whatever was distributed to the Libyan venture was not reported to Allen & Company, nor were they requested to pay any part of it? A. No.

"Q. I notice on page 30 of Plaintiff's Exhibit 11 an account called 'Advances to Joint Ventures and Amounts (911) Due From Participants.'

"Are you familiar with that account? A. Yes.

"Q. Does that account include any amounts expensed or incurred on account of the Libyan venture? A. No.

"Q. In other words, as of December 31, 1964, no part of the expenses of the Libyan venture had been charged to an account called 'Advances to Joint Ventures and Amounts Due From Participants'? A. That is correct.

"Q. Can you tell us what this account did cover? A. Yes.

"Q. What did it cover? A. We had various drilling deals with individuals and these individuals participated with Occidental in these drilling deals, and this continued when we become members of the New York Stock Exchange.

"But prior to that time we had participated with these individuals, most of whom were in a high tax bracket and who entered into joint ventures with Occidental for drilling oil wells.

"Q. When did you become listed on the New York Stock Exchange, that is, when did Occidental become listed? (912) A. I don't recall.

"It must have been some time in 1962 or 1963.

"Q. But it was, any event, before you began to discuss with Allen & Company— A. Yes.

"Q. —any aspect of this Libyan venture? A. That is correct.

"Q. Now, sir, isn't it the fact that in 1965 you and Allen & Company were involved in a venture in Morocco? A. Yes.

"Q. And that was in 1965? A. Yes.

"Q. Are any of the expenses in connection with that venture charged to the account, 'Advances to Joint Ventures and Amounts Due From Participants'? A. I don't believe so.

"Q. Can you tell me how you accounted for the expenses involved in that Moroccan venture with Allen & Company? A. I don't know. I'm not an accountant. I don't know how. But my best recollection is that account you are quoting from is a continuation of these drilling ventures with individuals who were participants.

"Q. In any event, with respect to the Moroccan (913) venture—what is that anyway? What kind of venture is that? A. It has never been developed into a venture.

"It was a proposed venture, but it has never been developed into any venture, because there has been no—there has been nothing done under that venture. There has been no implementation of it.

"Q. What did it involve? Phosphates? A. It involved a potential phosphate operation in Morocco.

* * *

(914) Line 5, Page 332.

"Q. I believe on February 20, 1966, they announced that they would award concessions to Occidental, is that correct? A. Yes.

"Q. And subsequent to that date there was some sort of writing signed, confirming the award of those concessions, isn't that correct? A. Yes.

"Q. That was signed by Occidental and by the Libyan Government? A. Yes.

"Q. Do you have copies of those documents? A. Yes.

"Q. And they are here?"

No answer.

"Q. Can you tell me why there was a delay, from February 20th to some time in late March, for the signing of the grant of concession?"

Mr. Nizer: Excuse me, you might say, are they here, there is a reply "We will have it, Mr. Greenspoon," by me.

Mr. VanVoorhis: All right. Just above where it is "Do you have copies of these documents?

(915) "A. Yes.

"Q. And they are here?" And Mr. Niger said, "We will have it, Mr. Greenspoon."

Is that what you referred to?

Mr. Nizer: Yes. And then the question came which I just read about why there was a delay.

"A. I think it was purely mechanical. There was a huge amount of work in each of these agreements, and is very voluminous, and they had to be drafted. Attorneys for both sides had to go over them. They had to be, I believe, submitted to the other ministries for final approval and I think it was simply a matter of mechanical procedure.

"Q. During that period of time were you told that Libya was thinking of revoking? A. No.

"Q. Revoking your concession? A. No, certainly not.

"Q. Didn't el Shalhi tell you that they were contemplating revoking your concession? A. No, sir.

"Q. You had met el Shalhi by this time, hadn't you? A. I had met a Mr. Shalhi she had nothing to do with this.

"Q. You had met Mr. Omar el Shalhi. Is that the (916) gentleman that you said you met in Frankfurt? A. Yes.

"Q. In late 1965 or early 1966? A. Yes.

"Q. Is it your testimony that he had absolutely nothing to do with the award of the concessions to Occidental? A. Absolutely nothing.

• • •

"Q. Did you pay Omar el Shalhi one million dollars? A. No.

"Q. Did you pay Omar el Shalhi any money at a hotel in Geneva, Switzerland? A. No.

"Q. Did you pay a single dime to Omar el Shalhi at any time? A. No.

"Q. Does your answer 'no' include any indirect payments to him through the means of some subterfuge or some other company? A. Yes.

(917) "Q. In other words, neither directly nor indirectly through an intermediary or subterfuge did you pay Omar el Shalhi a single dime? A. Correct.

"Q. Did you pay any moneys to Fuad Kabazi? A. No.

"Q. Directly or indirectly at any time? A. No.

"Q. By your 'no' do you mean that you did not pay him directly, either through Occidental or through your own account, or through any intermediary? A. Correct.

"Q. I take it that it is your testimony that Mr. Kabazi did not at your request intercede on Occidental's behalf to obtain the concession? A. Correct.

"Q. So that the only thing that he did so far as Occidental was concerned was act in accordance with his office and do whatever he should do under the proper auspices of his official capacity? A. Correct.

"Q. And he did not lend to Occidental any extra-curricular help in obtaining the concession? A. None whatsoever, no."

(918) And this is offered by defendant without objection. We object. Do you want to read that, Mr. Nizer?

Mr. Nizer: Yes.

"Objection, and I let him answer. I may say that the implication of these questions is such that if there was anything to it through your auspices, the contract would be illegal at its inception, and you would have no suit even, to have to try.

"But go ahead."

Mr. VanVoorhis: This of course is argument.

Mr. Nizer: I repeat it here. I may say, your Honor, briefly, this is the time to argue that the evidence already, the records in this case as to the plaintiff's claim which we deny under the authorities that your Honor may very well be familiar with, would require at the very inception, at this very moment, a motion to dismiss.

The Court: What evidence are you referring to? I am not aware that there is any evidence of corrupt payment, if that is what you are suggesting.

Mr. Nizer: Yes, the letters talk time and again of influence, "I need another letter confirming that I am to receive a million dollars for which I have to give to the (919) last contact, the royal family and 4 per cent for myself."

The Court: I say there isn't any proof of any payment, is there?

Mr. Nizer: It needn't have proof of specific payment. The claim is that through influence and improper approaches to Kabazi, according to the plaintiff, denied by us vigorously, Galic's service was in the nature of illegal influence. They, or the merits of the sealed bids requires under the Oscayer case, the other authorities—

The Court: There is a very well-known case, if I remember, it somewhat borders on what you have in mind here, the Moffett case, isn't it? Moffett against Aramco. I remember Judge Pros-

kauer was in that case. He was quite stunned when the jury returned a verdict against his client. It was set aside, I think, by Judge Conger in an appeal. I remember the case very well.

Mr. Nizer: Your Honor knows the Government in that case, the Turkish Government said—

The Court: Please don't come to any conclusion that I have any definitive judgment. I don't recall anything specifically here of an evidential nature on which you can find an argument at this point. That is all I am saying.

(920) Mr. Nizer: Well, I believe that—

The Court: Exchange of correspondence as your own client said, suggested at one time that a good deal of it was hot air and puffing and that kind of thing. We are not at the point of that argument yet. We are just having an informal discussion which can be done in a non-jury case whereas you can't do it in a jury case, that's all.

Mr. VanVoorhis: In response to the argument which is made by Mr. Nizer, I would simply say at this point that there is nothing improper in attempts at persuasion, and that there is no evidence of corruption.

The Court: Well, you are not saying anything different from what I just said, are you? I asked what is the evidential material to show a corrupt payment?

Mr. VanVoorhis: I am saying precisely I think what your Honor did say.

The Court: Now, maybe it is in the case, that has been lost to view up to now, but we haven't reached that point in the case yet. You made your point on the record here, in any event.

Mr. Nizer: Thank you, sir.

The Court: The reason this came up, your client in a series of questions here denied any payment at all.

(921) Mr. Nizer: Here it is. But we don't think payment is the sole test, your Honor. According to the plaintiff's claim, as your Honor will see when other depositions are read in, he had a private arrangement with Kabazi according to their claim.

The Court: That is different. All I said was up to now, just to get serious about it for a moment, I was not aware, unless it escaped me, of any tangible direct evidence to sustain an argument at this point.

Mr. Van Voorhis: I will proceed from Line 12 on Page 336 to Page 337, Line 14, plaintiff reading.

"Q. Who introduced you to Mr. el Shalhi? A. I was introduced to him by mutual friends.

"Q. Did you just happen to be in Frankfurt and meet el Shalhi or did you go there for the purpose of meeting him? A. I happened to be in Frankfurt.

* * *

"Q. I believe you said earlier that you claimed that Mr. Galic had nothing to do with obtaining concessions for you in Libya, is that correct? A. Yes.

(922) "Q. Did Mr. Galic perform any services for you in any way other than in connection with the Libyan concessions? A. No.

"Q. Can you tell me— A. Not that I can recall. He may have offered us some business proposals at one time or other but—

"Q. You never accepted them? A. Nothing came of them—never accepted them.

"Q. So any claim for compensation of Galic was derived purely and simply from claimed services in connection with the Libyan concession, is that correct? A. Yes—"

Now we do object to the following after that.

"A. —he offered services at one time. He tried (923) to interest us in a fertilizer plant in, I believe, January of 1965.

"I telephoned Klehe & Company * * *

(924) "Q. Did Mr. Galic make a claim for commissions or compensation in connection with the Libyan oil concession? A. Yes."

* * *

"Q. Did you go to see either of the Allens in connection with the claim asserted by Mr. Galic? A. Yes.

"Q. Which of the Allens did you see? A. I saw Charles Allen. I am not sure whether Herbert was present or not.

"Q. Where did you see Mr. Charles Allen? A. At his office.

"Q. When was that? A. This was somewhere in the summer of 1966.

"Q. What did you tell Mr. Allen at that time? (925) A. I told Mr. Allen that I was surprised that Mr. Galic was making an unfounded claim, that Mr. Allen knew very well that we had terminated the agreement, that we had a right to terminate the agreement, that the services of Mr. Galic and General DeRovin had nothing to do with our obtaining the concession, and that since we were doing business with Mr. Allen and his firm, I expected Mr. Allen, who had introduced me to Mr. Galic, to assist in getting rid of this unwarranted and unfounded claim.

"Q. Is that all you said to him? A. That was the substance of it.

"Q. What did Mr. Allen say to you? A. He said he would do whatever he could to help. He said he couldn't guarantee the result, that he didn't control Mr. Galic."

Mr. VanVoorhis: Now we object to the next paragraph: "He recognized that we had terminated

their agreement and that they had not rendered any services, but that he would try to get Mr. Galic to come over and sit down and talk to me to see if this matter could be settled for a nominal sum."

Mr. VanVoorhis: That doesn't purport to be part of the conversation—

The Court: That is the problem. It isn't (926) clear to me whether he recognized it as a conclusion or a part of the conversation.

Mr. Nizer: I think in connection with this, your Honor, it does indicate I responded to conversation, that is why I think it should be kept, otherwise I would consent, because he went on to say, "But that he would try." It includes the conversation in the very context.

The Court: I will let it stand, give it whatever weight it appears should be given depending on whether or not I can conclude it is part of the conversation or conclusion. If it is conclusion, it will be forgotten, if it is part of the conversation it will be considered evidential and it will be weighed in the case proper.

Mr. VanVoorhis: Then we continue with the answer, this time without objection.

"Some time later, Mr. Allen advised me that he had telephoned Mr. Galic, and that Mr. Galic would—that I would be hearing from Mr. Galic. I heard from Mr. Galic. He came over. We had several conferences. He started by asking some preposterous sums, I don't know—in the millions, and I refused to even discuss it with him—"

Mr. VanVoorhis: Now this part we object to.

• • •

(929) "Q. Now, sir, did General DeRovin claim that he was entitled to compensation because you obtained the concessions in Libya? A. General DeRovin put forth a claim for compensation."

Passing now to Line 21, plaintiff reading.

"Q. Did you receive any communication in writing from Mr. Galic demanding compensation for services rendered in connection with the Libyan projects?"

Mr. Nizer: Skip that, there is no answer there.

Mr. VanVoorhis: No answer, top of Page 350, Line 5.

"Q. Didn't Mr. Galic confirm that cable in writing to you, as he said he would? A. Yes, I think he did.

"Q. Do you have the letter which he sent you confirming that cable? A. We will look for it.

* * *

"Q. Did you answer Mr. Galic's cable or Mr. Galic's letter in writing? (930) A. I sent it over to my attorneys, and I assume that they took care of the matter.

"Q. Who were your attorneys that you turned it over to? A. O'Melveny & Myers.

"Q. In Los Angeles? A. Yes.

"Q. Do you know whether or not they answered Galic's cable or letter or both? A. I don't know.

"Q. In writing? A. I don't know.

"Q. Who in O'Melveny & Myers were handling this matter for you? A. Mr. Philip Westbrook.

"Q. Incidentally, at any time from December 17, 1964 to July 15, 1965, did you submit a written report to Allen & Company concerning what was going on in Libya? A. Not to my knowledge.

"Q. During that period of time, did you submit an oral report to Allen & Company on that subject matter? A. No, I don't recall any.

"Q. I believe you earlier testified, and correct me if I am wrong, that you did not take up with Allen & (931) Company the subject matter of the proposal which you were in the process of drawing up in March, April, May and June 1965? A. That's correct.

"Q. And I believe further that after you received the March 16th letter from Herbert Allen with its enclosures concerning DeRovin, your next written contact with Allen & Company was when you sent them a letter dated July 16, 1965, is that correct? A. I believe it is. I am not sure.

"Q. During that period of time, did you have any oral contact with anyone in Allen & Company concerning the Libyan matter? A. I don't recall it.

"Q. Is it your best recollection that you did not? A. I have no present recollection of it.

"Q. Is there any document, memoranda or book which you could possibly refresh your recollection from on that subject? A. I don't recall any."

Passing now from Line 12 on Page 352 to Page 353, Line 2, this is offered by defendant without objection.

"Q. Was your letter dated July 16, 1965, the first time that you had notified Allen & Company that you (932) had cancelled out with Ogbi Bros.? A. I believe it was, I am not sure."

• • •

"Q. You go on to say in the light of the above 'our agreement of December 17, 1964 releases us from any commitment toward Allen & Company.' Do you see that? A. Yes.

"Q. What agreement are you referring to there? Can you point out the exhibit to which you had reference? A. I think this is just either poor construction or perhaps my secretary didn't take down my dictation. This was prepared without an attorney and I prepared it as

a layman, and that's my only explanation at this time. The agreement is December 17th—12th—it is clear—and this paragraph was intended to state that in light of the above we felt released from our agreement of December 17 and from any commitment toward Allen & Company.

"The phraseology here could be improved upon.

"Q. Are you saying now, Mr. Hammer, that the (933) phraseology as typed in the fourth paragraph is not the way you dictated it to your secretary? A. I said it might be. It could either be that or, not being an attorney, my own dictation, perhaps could have been improved upon."

Passing to Line 21 on the same page, plaintiff reading, Page 355:

"Q. All right, sir, you said that in light of the above, in the next to the last paragraph, the fourth paragraph—do you see that? A. Yes."

Defendant offering without objection.

"Q. What is the 'above' to which you are referring, all three or which ones of the preceding paragraphs do you refer to? A. All three, I would say.

"Q. In other words, by reason of the fact that you have sent the enclosed cable, that you canceled the Ogbi Bros. contract, and because DeRovin, you thought, had prejudiced you, you felt that that released you from any commitments you had toward Allen & Company? A. And that Galic had not rendered any service."

Plaintiff reading.

(934) "Q. But you did not say that in this letter, did you? A. I did in my reference to the fact that I had sent a cable to Galic terminating Galic as well. The cable to Galic says: 'In accordance with the terms of our September 18, 1964 agreement, we wish to advise you that we will not utilize your intervention or services in acquiring oil and gas concessions in Libya and hence con-

sider ourselves free of any obligations whatsoever toward you. We hereby release you from any obligation to abstain from negotiating with any other party. Similar notice has been sent to your associate, General DeRovin.

"Q. Who is the author of that telegram to Mr. Galic? A. I am."

Now the defendant offering without objection except as I specified.

"Q. No lawyer had anything to do with drafting that? A. No lawyer had anything to do with drafting that."

• • •

(935) "Q. What provision of the December 17, 1964, agreement released you from your commitments to Allen & Company in 'light of the above'?"

Mr. Nizer: You have to read the colloquy in order to make his answer clear.

Mr. VanVoorhis: Yes, that's right.

"Mr. Nizer: I think he just answered that question, that Galic had not rendered services.

"A. I thought I said that—

"Mr. Nizer: I will object and let him answer."

• • •

(936) "A. I said that Galic had not rendered any services, and that therefore we felt we were released from any possible obligation under the December 17th, agreement."

That part is objected to.

The Court: We will let it stand. We took the statement from the other witness on the same subject.

Mr. VanVoorhis: It is self-serving and an opinion.

The Court: Well, it is.

Mr. VanVoorhis: Argumentative.

"Q. As of July 16, 1965, no concession had been awarded to Occidental as yet; isn't that right? A. That is correct.

"Q. So that it would have been impossible—and as a matter of fact, the Libyan Government had not yet awarded any concessions to anyone in this new go-round, isn't that so? A. That is correct."

Perhaps you ought to read that, Mr. Nizer.

Mr. Nizer: All right, Line 15.

"Q. So it would have been impossible for Mr. Galic at this point to have gotten you any concessions, isn't that correct?" And another question: "Was it possible (937) for Mr. Galic— A. There were plenty of services that Mr. Galic could have rendered, but he not only did not render any services, but the people whom he selected to be our representatives who in turn were to help in rendering services, in turn rendered no services, and he kept changing from one to another.

"First he built up General DeRovin, as I have testified to at great length before, and then he turned out to be a crook and a swindler.

"Then he brought in Mr. Frottier, who I testified to before, and he turned out to be—to do nothing and to be nothing.

"Then he wanted to bring in some members of the royal family whom I didn't go along with, and that plus the fact that I had been getting some bad reports about Mr. Galic, that led me to the conclusion that he not only did not render any services, but could not render any services, and the entire scheme was a con game, and that the whole group were in on it.

"I wanted no part of them. That was why I terminated with everybody."

• • •

(938) "Q. Mr. Hammer, you were telling Mr. Galic that he wasn't to do anything from this point on, weren't you, in (939) your telegram? A. Yes, because he had not—

"Q. The answer is yes, isn't that so? A. Yes.

"Q. The answer is yes? A. Yes.

* * *

"Q. And you were also telling General DeRovin stop, don't do anything, isn't that right? A. Yes.

"Q. And you are not suggesting, are you, that Allen & Company was part of any congame, are you? A. No, I certainly am not. If they were, I wouldn't be doing business with Allen and continuing to do business with Allen."

Now, this part we object to as we read it.

"A. I certainly am not—I still think that Allen & Company have been hoodwinked to a certain extent by Mr. Galic."

Mr. VanVoorhis: We submit that is subject to the same objections previously made in regard to the last objection.

(940) The Court: It will be treated as a matter of opinion.

* * *

"Q. But that does not help us any. Have you received any report on Mr. Galic other than from Mr. Benahum that you considered bad, as of or prior to July 6, 1965? A. No."

Now there is some more here which is objected to.

Mr. Nizer: Would you read it?

Mr. VanVoorhis: Perhaps it would be more appropriate if Mr. Nizer read that.

(941) (Mr. Nizer reading)

"Q. As a matter of fact, all that Mr. Benahum had told you was that he had no confidence in Mr. Galic, isn't that right? A. No, that isn't all that he said. He intimated that he had seen a report on Mr. Galic that wasn't flattering and that he had information which he didn't want to tell me exactly what it was, but I read between the lines, and I gathered that Mr. Benahum was convinced that Mr. Galic was not the kind of person that he, Mr. Benahum, or Klehe & Company would want to have any further dealings with.

"Q. Did you check on anything Mr. Benahum told you, prior to July 16, 1965? A. No.

"Q. You just accepted what Mr. Benahum told you as the gospel."

On top of Page 362,

"A. Yes.

"Q. Is that correct? A. Yes.

"Q. Did you know Mr. Benahum before that time? A. Yes.

"Q. You had dealings with him"—

Well, that you don't object to at that (942) point.

Mr. VanVoorhis: No, we are not objecting to that but we do object to the part that Mr. Nizer read on the ground that it is self-serving, it is hearsay, it is not responsive, it is—

Mr. Greenspon: It is reading between the lines.

Mr. VanVoorhis: It is his—really, it is the self-serving opinion of the witness and it is not evidence at all.

Mr. Nizer: Your Honor will observe that the question attempted to elicit from the witness more. It was not only that he had no confidence.

The Court: Well, of course the answer, the direct answer would have been he said more. Instead he went on to read between the lines what

he thought the witness was saying. And he even refers to intimations—I don't think we ought to spend too much time on it.

(943) Mr. VanVoorhis: Line 9, page 362, plaintiff reading:

"Q. You were told, were you not, that Mr. Galic had made several trips to Tripoli prior to July 16, 1965? A. Yes.

"Q. Mr. Galic told you that, didn't he? A. Yes."

Now reading at the instance of defendant but without objection:

"Q. And Mr. Brenner told you about that, didn't he? A. Well, I—

"Q. Or Mr. Vaughan— A. I don't know how many, whether Mr. Brenner told me (944) or Mr. Galic told me, but I knew Mr. Galic had made several trips."

This next we object to:

"As a matter of fact, I found out later that he made these trips for a competitor of ours, and that he was instrumental in helping a competitor, or tried to help a competitor get some of the very concessions he claimed he was trying to help us to get."

That is certainly no affirmative proof of—

The Court: I agree.

Mr. VanVoorhis: Page 364, line 8:

"Q. In any event, Mr. Brenner also told you that he was in Tripoli with Galic, didn't he? A. I think they were together on one trip. I am not sure.

"Q. Did Mr. Brenner report to you that Mr. Galic was useless and his word was no good? A. I don't recall Mr. Brenner reporting anything like that.

"Q. Mr. Brenner reported to you, did he not, that he had a very satisfactory trip with Mr. Galic? A. I don't remember him reporting that he had a very satisfactory trip.

"Q. Didn't Mr. Vaughan report to you that he thought (945) things went well when he met with Galic in Paris? A. No, I don't have any such recollection that Mr. Vaughan reported that things went well as a result of anything Mr. Galic was doing.

"Q. Did anyone tell you after you received the report on General deRovin, that he was *persona non grata* in Libya? A. I think any reasonable man reading the report and knowing the source it came from would have—wouldn't have to have anyone tell him that.

"Q. Did any Libyan tell you prior to July 16, 1965 that the General was *persona non grata* in Libya? A. No.

"Q. No, as a matter of fact, that Nazi collaborators are running all over the Middle East and they are welcome as the flowers in spring; isn't that so? A. Yes, but they are not convicts—people are swindlers and crooks and everything else, embezzlers, forgers—I mean, they may be in hiding as former Nazi agents, but this man was not in hiding—this man was parading all over as a phony General, a phony engineer, as a phony embezzler of the royal family.

"I mean, he couldn't be phonier."

That last, except for the word "Yes," I object to.

(946) The Court: Well, he said that so often in yesterday's testimony. Why are we spending time on it? I think it is in there about six or seven times in yesterday's testimony.

Mr. VanVoorhis: We pass on to page 367, line 21, read by plaintiff:

"Q. Did anyone tell you, that is, did any Libyan tell you that association with General de Rovin would prejudice any possibility that you would have of getting any concessions in Libya? A. No.

"Q. Did anyone, that is any Libyan, tell you that your prior association with General de Rovin would prejudice your possibilities of getting concessions in Libya? A. No."

Now, passing from line 5 on page 363 to page 370, which was offered subject to objection by defendant:

"Q. Do you know whether or not Galic ceased all his activities on behalf of Occidental after July 1965? A. I notice from the letter that you produced, he blocked the concession.

"Q. Is that what he said? A. Yes, he said he blocked them in the letter to Mr. Allen, that you produced, and I think that speaks for (947) itself."

We enter a formal objection to that.

The Court: Well, you asked a question, didn't you? Mr. Greenspoon asked the question and he answered it.

Mr. VanVoorhis: No, his answer was—yes, he answered, but we just object—

The Court: You don't agree with the answer?

Mr. VanVoorhis: We object to the probative force of the answer.

The Court: Well, that is different.

Mr. VanVoorhis: Line 6, page 371, offered by defendant without objection:

"Q. Now, sir, do you know of your own knowledge whether or not Galic performed services on behalf of Occidental prior to July 16, 1965? A. No, he rendered no services of any kind.

"Q. Do you know that of your own knowledge? A. Yes.

"Q. Will you tell us how you derived personal knowledge that Galic performed no services on behalf of Occidental prior to July 16, 1965? A. I know it because I have found no record of any services that he performed in my conversations with him. There is no indication that he performed any services.

(948) "He was always promising what he was going to do. He was always going to do something. He was al-

ways going to get somebody who was going to be of great help to us.

"He didn't even help us in such matters as preparing costs that would be useful to us in Libya and in working on our future projects, in helping us in—helping us to meet ministers of the cabinet.

"One of the things that most concessionaires did was to go around and meet the various ministers and get acquainted with them so that it would help for character purposes.

"This was one of the things that would help. He did none of that.

"He even—de Rovin did none of that.

"All of this was just a lot of talk and as far as I was concerned, it was hot air, as I have testified before."

Passing from line 14 on page 372 to page 392, line 12:

"A. At page 21"—

That is, of the deposition—"you testified that the Ministry of Oil had issued an invitation to bid approximately three months before you submitted your (949) proposal in July, 1965. Do you recall that?

"A. I wasn't sure it was three months. I thought it probably was two or three months. It might have been even less.

"Q. Did you advise Allen & Company that you had learned about an invitation to bid issued by the Ministry of Oil? A. No.

"Q. Prior to July 16, 1965, did you advise Allen & Company of what blocks you proposed to bid for? A. No.

"Q. Did you advise Allen & Company when you commenced working on your July 29, 1965, proposal? A. No."

Passing to line 22 on the same page, 393, offered by defendant without objection:

"Q. At pages 99-100, you testified that you think the letter signed by Mr. Kabazi was either spurious or a forgery or dated back. Do you recall that? A. Yes."

Page 395, read by plaintiff, line 20:

"Q. At page 126 you testified that in the year 1964, but after the September 18th meeting in London, you sent geologists to Libya. Do you recall that? (950) A. Yes.

"Q. What was the name of the geologist which you sent to Libya? A. Mr. Vaughan."

Passing from line 2, page 396 to 397, line 14, plaintiff reading:

"Q. My question now is: when did Mr. Vaughan himself go to Libya after the London meeting? A. I don't recall.

"Q. Did you tell Mr. Vaughan that he should check areas denominated as bidding blocks 32 and 59— A. No.

"Q. —when you sent him to Libya? A. No.

"Q. Sir? A. No.

"Q. Did you tell him that he should check into any particular or specified areas of Libya? A. No."

Defendant offering, without objection:

"Q. Did Mr. Vaughan report to you on his trip to Libya when he returned? A. Yes.

"Q. Did he report in writing? (951) A. No.

"Q. Did he tell you that he had examined the areas known as 32 and 59? A. I don't recall.

"Q. Did he tell you that he had checked any specific area? A. I don't recall.

"Q. What did Mr. Vaughan tell you? A. Mr. Vaughan told me that he went to Libya and he checked with various

ministries there to see what we would have to do to qualify to apply for concessions in Libya, that he had —he had meetings there with some of the officials of the Ministry of Petroleum about the question of when the concessions would probably be open for bidding.

"I don't recall anything else that he reported."

Plaintiff reading:

"Q. Did he tell you the names of the persons, that is, the officials with whom he had met? A. I don't remember that.

"Q. Did he tell you that he was accompanied by anyone when he went to Libya? A. I don't recall."

Passing from line 24, page 398 to page 401, line (952) 9, and this is part of the colloquy:

"Mr. Greenspoon: This question deals with"—

Mr. Nizer: Excuse me. Don't you want to go just to testimony?

Mr. VanVoorhis: I think the question is couched in the colloquy.

Mr. Nizer: I see, yes.

Mr. VanVoorhis: "Mr. Greenspoon: This question deals with Mr. Galic, and now I am trying to find out what Mr. Vaughan reported to Mr. Hammer the Libyan officials told him about when concessions would be open for bidding, and that is my question."

And Mr. Nizer said—

Mr. Nizer: "I don't remember," is the answer.

Mr. VanVoorhis:

"A. I don't remember.

"Q. Are you sure that he did tell you anything on that subject matter? A. Yes. We were naturally interested in that subject, and I am sure he told me something, but I don't remember exactly what he told me."

Passing to page 402, line 7:

"Q. In preparation for the London meeting, did you make inquiries of anyone concerning what areas the Libyan Government was going to make available for concession? (953) A. No.

"Q. Between September 1 and September 18, 1964, did you make any such inquiry? A. No.

"Q. Between those two dates, to wit, September 1 and September 18, 1964, did you receive any information as to what areas the Libyan Government was going to make available for concession? A. I don't recall any.

"Q. Is it your best recollection that you did or that you did not? A. I do not recall."

Defendant offering, without objection:

"Q. Did you ask Mr. Galic to assist you in framing your application to the Libyan Government? A. No.

"Q. Did you ask de Rovin? A. No.

"Q. Did you ask Allen & Company? A. No."

Passing from line 5, page 403 to page 404, line 7:

"Q. Mr. Hammer,"—

This is offered by defendant, without objection:

(954) "Q. Mr. Hammer, at page 219 I questioned you about the date upon which the notion of setting aside 5 percent of the profits for agricultural pursuits was conceived, and you testified that it was after the receipt of the letter from Herbert Allen enclosing the de Rovin background."

Do you see that?

"A. Yes.

"Q. How soon after the receipt of that letter was that plan conceived? A. I don't recall.

"Q. Was it within a month? A. Later than that.

"Q. Was it within two months? A. I think it was much later.

"Q. Was it within three months? A. I can't recall that.

"Q. Is there any document, writing or piece of paper which you could refresh your recollection on that subject matter? A. I don't recall any.

"Q. Was it before you went to Libya for purposes of finalizing the proposal?"

* * *

(955) "A. Yes.

* * *

"Q. By the way, do you know on what date you went to Libya for purposes of finalizing the proposal? A. No, I do not."

Passing down to line 12, that same page, 406:

"Q. How soon before you went to Libya for purposes of finalizing the proposal did you conceive of the 5 per cent notion? A. I don't recall.

"Q. Was it a month before you went to Libya? A. I don't recall.

"Q. Wasn't this conceived in a writing of some kind? A. I don't recall any such writing."

* * *

(956) "Q. At page 309, line 25, you made the statement:

'By that time we felt that we were not afraid that he would be able to block us in getting concessions.'

"My question is, who is the 'he' referred to? A. It was particularly Mr. Galic.

"Q. And I take it that prior to that date, you were afraid that Mr. Galic would be able to block your concession? A. Yes.

"Q. Did you have the same fear as to Allen & Company? A. Well, Allen & Company and Galic were working together. I had no idea what the arrangement was between Allen & Company and Galic, but I feared that if we terminated earlier, or advised Allen of our fears, that it could very well have been communicated to Galic.

"Q. At that time, did you have any fear that deRovin would be able to block the concessions? A. That was a possibility.

"Q. Did that flow through your mind at that time (957) or was it only Galic that you were really bothered about? A. No, it was both. It was de Rovin and Galic, but after I got the report of Mr. Allen, I was more concerned about Galic than I was about deRovin."

Plaintiff reading:

"Q. And I take it that you were not worried about Ogbi at all at this point? A. No.

"Q. Did you discuss with Mr. Galic your arrangement with Allen & Company at any time prior to June 19, 1965? A. I don't recall.

"Q. Did you ask Mr. Galic as to what his ideas were as to what arrangement you should make with Allen & Company? A. No.

"Q. Did you discuss that subject matter with Mr. Ogbi? A. No.

"Q. Did you discuss that subject matter with Mr. deRovin? A. No.

"Q. In late 1964, did you ask Mr. Galic to introduce you to Mr. Kabazi? (598) A. No.

"Q. Did you in late 1964 attempt to make arrangements to see Mr. Kabazi? A. No."

* * *

"Q. Would you please look at your copy, Mr. Hammer, of Plaintiff's Exhibit 12 for identification, especially the second paragraph? (959) Yes."

* * *

"Q. Did you tell Mr. Galic in conversation what you intended to wire or write to the persons concerned? A. As I recall it, I was suspicious of Mr. Galic by that time, and he mentioned the names of new representatives and wouldn't give me the names.

"I said I might want to write or wire them, and I would like to know who they were for that purpose, but he still refused to give me the name—the names.

"Q. Did you tell him what you wanted to put in the wire or letter? A. No. I was testing him to see whether he was bluffing or whether this was some more hot air, just like the previous people he had misrepresented to me about, or whether this was something that had any substance to it.

"Q. Did you communicate your suspicions of Mr. Galic"—

Read by plaintiff.

"Q. Did you communicate your suspicions of Mr. Galic to Allen & Company? A. No.

(960) "Q. Did you tell anyone in Allen & Company that you thought Mr. Galic was full of hot air? A. No.

"Q. Did you tell anyone in Allen & Company that Mr. Galic had made misrepresentations to you? A. No. I have testified why I didn't tell him previously."

Passing from line 20, page 414 to page 415, line 5, also offered by defendant without objection:

"Q. Did you have a telephone conversation with Mr. Galic on or about March 8, 1965? A. I believe so.

"Q. In that conversation, did you tell Mr. Galic that you were not one hundred per cent satisfied with him? A. I believe I told him that I was dissatisfied and that I felt that he was not doing anything in the way of services to help us in any way to get the oil concession.

"Q. What did he say to that, if anything? A. I told him—he said that while Ogbi had not proved to be the

man he thought he was, that Frottier had also not turned out to be the person he had told me about, now he had someone else, and I said that I had a feeling that he was just fishing around and had nothing concrete (961) to offer us.

"Q. Did he tell you the someone else mentioned in the telephone conversation was a person other than the persons he had referred to in January 1965? A. He mentioned some very—some other names, but by that time I had made up my mind that Mr. Galic was a lot of hot air.

"Q. Do you recall what names he mentioned in the March telephone conversation? A. I don't know. I don't recall now the names that were mentioned.

"There were some—I think there was mention in the previous letter that you just showed me.

"Q. That was in January. We are now in March. A. Well, this is a continuation of the same, the same sort of promotion.

"Q. Was one of the names he mentioned in the March telephone conversation El Shalhi? A. No.

"Q. Was one of the names he mentioned in the March conversation Fuad Kabazi? A. No.

"Q. Can you search your recollection and remember what the names of these people were that he mentioned in (962) the March conversation? A. No. As a matter of fact, he was talking in big terms, but I don't even remember whether he actually gave us the names. He was evasive, just as he had been on previous occasions."

Plaintiff continues reading:

"Q. Did you make a memorandum of that conversation? A. No.

"Q. Did you make a memorandum of the January conversation? A. No.

"Q. Did you report either the January or the March conversation to Allen & Company? A. I testified the reason I did not.

"Q. Did you? A. No."

* * *

"Q. When did you make it perfectly clear to Mr. Galic that deRovin would prejudice any possibility that you would have of getting concessions in Libya, when?"

* * *

(963) "A. It was some time after I got the letters from Mr. Allen. I believe it was in a telephone conversation, and then it was repeated again to Mr. Galic again, at our meeting on June 19th in London."

* * *

"Q. What did Galic say in response to that? A. He said that he had been deceived, and he was sorry. He said he understood.

"Q. Is the meeting in London to which you are referring the June 19, 1965, meeting? A. Yes."

Plaintiff continues reading:

"Q. Would you please look—I think it is part of Exhibit 13, the telegram to Mr. Galic. A. I read it.

"Q. Is Plaintiff's Exhibit 4 the 18 September 1964 agreement to which you are referring in the July 16th telegram to Galic? (964) A. Yes."

* * *

"Q. Does Plaintiff's Exhibit 4 contain all of the terms and conditions of the agreement which you reached with Mr. Galic on September 18, 1964? A. Yes.

"Q. Does Plaintiff's Exhibit 6, which is also marked 6-A, contain all of the terms and conditions of the agreement which you reached with Mr. deRovin on or about September 18, 1964? A. Yes."

* * *

"Q. Would you please look at the July 16, 1965 telegram from you to General deRovin, and will you tell (965) us when you have read it? A. Yes.

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"Q. Is the September 18, 1964, agreement referred to in that telegram the same as Plaintiff's Exhibit 6 or 6-A for identification? A. Yes."

* * *

"Q. Did you ask Mr. Galic, during the period July 16, 1965, to March 28, 1966, to render any assistance to you in connection with the obtaining of concessions in Libya? A. No.

"Q. Did Mr. Galic approach you on that subject matter after July 16, 1965? A. No.

"Q. On or about March 15, 1966, or thereabouts, did you receive a claim letter from Galic's lawyers in New York? A. I remember receiving a claim letter. I don't remember the date.

(966) "Q. It was some time in 1966? A. Yes.

"Q. After you received that claim letter, did you call Mr. Galic? A. No.

"Q. Did you have any conversation with Mr. Galic concerning the steps you had taken to obtain concessions in Libya, which conversation took place after July 16, 1965? A. No.

"Q. Perhaps I can refresh your recollection. Did you have a conversation with Mr. Galic after July 16, 1965 in which you told him that he had not turned up any concessions in Libya? A. I don't know what dates you are referring to—when are you—

"Q. Some time after July 16, 1965. A. Well, after I had told Mr. Allen that I felt that it was his responsibility to get rid of this so-called claim of Galic's, which had no foundation, and Mr. Charles Allen agreed to telephone Mr. Galic and ask him to come over, I had a meeting with Mr. Galic and at that meeting I pointed out to him that this claim was without any foundation."

* * *

(967) "Q. Did you tell Mr. Galic that someone other than Mr. Galic was the source of the concessions which Occidental had obtained in Libya? A. No.

"Q. In July, 1966, did Mr. Allen send to you a copy of a cable which he had received from Mr. Galic? A. Yes."

Exhibit 11—

Mr. Greenspoon: That is Plaintiff's Exhibit 179 in evidence, your Honor, which is a letter from Mr. Allen to Mr. Hammer enclosing a telegram from Galic to Allen.

The Court: The date of that is June 25th.

Mr. VanVoorhis:

"Q. Do you have in front of you"—

The Court: What page is that?

Mr. VanVoorhis: Page 427, line 3:

"Q. Do you have in front of you Defendant's Exhibit 11 for identification? (968) A. Yes.

"Q. In connection with that cable, did you have a telephone conversation with Mr. Charles Allen, Jr.? A. Yes.

"Q. When was that conversation? A. I assume that it was about the time of Mr. Allen's letter of July 5th.

"Q. What did Mr. Allen say to you and what did you say to him in that conversation? A. As I recall, Galic wanted to know if I was going to be in Europe, and I told Mr. Allen that I was not going to be in Europe, and that if Mr. Galic wanted to see me, he should come either to Los Angeles or to New York.

"Q. What did Mr. Allen say to that? A. I am not sure. I think he asked me if I would cable that to Mr. Galic, and I believe I did.

"Q. Is that all of the conversation that you had with Mr. Allen on that occasion? A. I don't recall anything further.

"Q. Didn't Mr. Allen tell you in that conversation that after all, 25 per cent of what you had to pay to Galic would be borne by Allen & Company? A. Absolutely no."

• • •

(970) "Q. I am asking you did he make that statement in the July 5th conversation. A. I don't recall whether it was discussed or not—I don't recall whether it was discussed in that conversation or not."

* * *

(971) "Q. What conversation were you referring to when you said that Mr. Allen admitted he had no claim? A. When I came to Mr. Allen's office; I testified to that before.

"Q. When was that? A. I believe I testified to that yesterday.

"Q. But the date? A. I don't recall the date. It was about—it must have been around the time when I told Mr. Allen that I felt it was his responsibility to get Galic to drop his claim, it was unfounded.

"Q. Was this after July 5, 1966? A. Oh, no, this was before that."

Plaintiff continues reading:

"Q. In any event, you told Mr. Allen that you would cable to Mr. Galic and you did; is that correct? A. I believe so.

"Q. And Defendant's Exhibit 32A, is that your cable to Mr. Galic, or a copy of it?"

(972) Mr. Greenspoon: That is Plaintiff's Exhibit 180, your Honor, in evidence, a letter from Mr. Hammer to Mr. Allen enclosing a copy of a cable to Galic.

* * *

"Q. And Defendant's Exhibit 32A (which is 180) is that your cable to Mr. Galic, or a copy of it? A. Yes.

"Q. In response to your cable, did Mr. Galic come to New York? A. I don't recall whether it was New York or Los Angeles. It might have been both places.

"Q. But he did come to the United States?"

Mr. Nizer: The rest is not in by either side. We skip from there.

Mr. Greenspoon: No, we continued, Mr. Nizer.

Mr. VanVoorhis: Plaintiffs offered this. I believe the defendant objected to it, but the plaintiff has offered it.

(973) Mr. Nizer: We didn't object to it.

Mr. Greenspoon: I don't think you objected to this.

Mr. Nizer: Yes, we objected to this on the ground that it was settlement discussion.

The Court: Well, the following pages indicate what your position is on that, Mr. Nizer.

Mr. Nizer: Yes. And we did it in our response at Page 429. We said in our notice: "Grounds for defendant's objections to this passage, said designations are objected to by defendant on the ground that they relate to settlement discussions which have been specifically excluded by the prior order of Judge Ryan."

The Court: What is the immediate problem then? We are at Page 430 now.

Mr. Nizer: Yes, your Honor.

Mr. VanVoorhis: The question is, "Did he come to the United States?"

The Court: Well, so far these questions don't relate, at least directly they don't relate, to any settlement discussions. They simply appear to be questions directed as to whether or not Dr. Hammer communicated with Allen & Company with respect to any discussions that might (974) be had with Galic.

I will allow it simply for that limited purpose. There is so much in here already as to whether or not Dr. Hammer communicated with the plaintiff with respect to one matter or another, a long series of questions. There will be one more. We are not getting into the discussion of the settlement.

Do you get the point I am making on that?

Mr. Nizer: Yes, I do, until probably down at Line 22. In any event, he answered—

The Court: In fact I wouldn't know why you would object to including 24.

Mr. Nizer: All right. Very well.

The Court: If you want to, you may, but I really don't see anything. As a matter of fact I think it supports your position. Mr. Hammer said he was buying his peace of mind. It wouldn't be the first time that people say that no matter how unjustified a claim was we would rather get rid of it than go to litigation. Nothing extraordinary about that, is there? Why are you objecting to that?

Mr. Nizer: Well, the attempt at this instance also carried into other inquiries concerning the other people we hired and Judge Ryan therefore ruled it all out so I was trying to be consistent.

* * *

(975) "Q. But did he come to the United States? A. Yes.

"Q. At the time that Mr. Galic was here in the United States, did you have a conversation with anyone from Allen & Company concerning Mr. Galic's claim? A. I don't recall.

"Q. How long was Mr. Galic in New York on that occasion? A. I think a day or two. I just saw him, I think on one day; I don't know if I saw him twice or once. I don't recall.

"Q. Did you keep Allen & Company advised of your discussions with Mr. Galic on that occasion? A. No.

"Q. Did you tell Mr. Galic that he should keep Allen & Company advised with respect to these discussions with you? A. No.

"Q. In any event, I take it that the upshot of the meeting with Galic was that an amicable arrangement was (976)

made? A. I was buying peace of mind. As far as I was concerned, the sum which I paid him would have cost me that if we went to litigation, and I was buying peace of mind to get rid of a troublesome man whom I was glad to get rid of. I felt that the Allens had helped me to get rid of this claim for a nominal sum.

"Q. Did you call the Allens and thank them for helping you to get rid of this claim for a nominal sum, as you put it? A. Yes, I did.

"Q. Which Allen did you call? A. Charles Allen.

"Q. When was that? A. That was after the settlement was made."

* * *

(979) "Q. You would say that you received that early in February 1967? A. Yes.

"Q. Did you reply to that letter? A. Yes.

"Q. I show you Defendant's Exhibit 33 for identification and I ask you if this is your reply."

Mr. Greenspoon: That is Plaintiff's Exhibit 195, your Honor.

* * *

"A. Yes.

"Q. Before you replied to Herbert Allen's letter of January 31, 1967, did you consult counsel? A. Yes.

"Q. Which counsel? A. Mr. Nizer.

"Q. Was the letter of February 11, 1967 written by Mr. Nizer to you? A. It was prepared by Mr. Nizer's firm.

"Q. May I see these two? (980) A. Yes.

"Q. I take it that you read Defendant's Exhibit 33 before you signed it? A. Yes.

"Q. You go on to say in this letter:

'The agreement with Mr. Galic had expired at the time the concessions were granted.'

"Do you see that? A. Yes.

"Q. What agreement are you referring to there?"

Not answered.

"Q. But you signed the letter, didn't you, Dr. Hammer? A. Yes.

* * *

"Q. Did you repay to Mr. Galic all of the moneys that he lent to Mr. Ogbi? A. I repaid Mr. Galic $5000 at the time he made the loan. Mr. Ogbi repaid that $5000, I believe, to Mr. Galic.

"I believe that Mr. Ogbi borrowed that $5000 from us when he made the payment to Mr. Ogbi.

"Q. To Mr. Galic, you mean? (981) A. To Mr. Galic.

"Q. Let's see if I have got the picture.

"Galic lends 10,000? A. Yes.

"Q. But you pick up half the loan? A. That is correct.

"Q. Subsequently Ogbi repays Galic the $5000? A. Yes.

"Q. So that Galic has now gotten his $10,000; is that correct? A. No, he got his $5000 back.

"Galic never loaned more than $5000 because immediately after he loaned the $10,000, he got $5000 back.

"Q. What I am trying to figure out is this: Whatever Galic put up, he had been repaid in full? A. Yes.

"Q. And the repayment in full by Ogbi was occasioned by your lending $5000 to Ogbi to repay Galic? A. Correct.

"Q. I believe you testified earlier that Ogbi had repaid Occidental the total amount? A. Correct.

"Q. I take it that this was an Occidental transaction, not a Hammer transaction? (982) A. Correct.

"Q. By the way, was the repayment to Mr. Galic of that $5000 made through the Barclays Bank? A. I don't remember."

* * *

(984) "Q. Did you have a conversation with Mr. Charles Allen on a Sunday in June 1967? A. I had a conference with Mr. Allen in 1967.

"Q. Was that on the telephone? A. I believe—what?

"Q. Where did you call him or did he call you? A. I believe that I called him.

"Q. Where did you call him, at his home or at his office? A. At his home.

"Q. This was a Sunday? A. I wouldn't remember what day it was.

"Q. Where were you when you called him? A. I think I was either in New York or in Los Angeles.

"Q. Can you tell us why you called Mr. Allen? (985) A. Yes.

"Q. What was the reason for your call to Mr. Allen? A. I had received information that Mr. Galic had rendered services to a company by the name of Wintershal, and to assist them in obtaining Libyan concessions, and one of the concessions they obtained was—was one of the very concessions we were trying to get.

"Q. To wit? A. I think it was 47.

"I said—I asked Mr. Charles Allen, I said, 'Do you know'—I said, 'I have this information from a very authoritative source and it seems to me that if, in the light of this information, that even if Galic had any claim under his alleged agreement with us, that it was a violation of that agreement, because that agreement provided that he was not to be engaged in rendering services to any other company in this connection.'

"I felt, therefore, that if Allen should claim, it would certainly be completely invalid, and I asked Mr. Allen if he knew about this, and if he had participated with Galic, and he said no, he didn't know about it, and had not participated.

"That was the sum and substance of the conversation.

"We discussed something about Mr. Benahum coming (985a) over from Europe, who was a mutual friend of Mr.

Allen and myself, and I think he asked me whether there was anything new in Morocco, and I said, no, that we were still working on a feasibility study, and that was the sum and substance of it."

(986) Plaintiff continuing. Page 459, Line 2.

"Q. Did you ask Mr. Allen if he could come out to California? A. No, I don't recall.

"Q. Did Mr. Allen tell you that Mr. Benahum was in Israel? A. I don't recall.

"Q. Do you deny that Mr. Allen told you that? A. No, I don't affirm it or deny it.

"Q. Do you deny that you asked Mr. Allen to come out to California? A. I don't recall that.

"Q. Did you tell Mr. Allen that you would be in the East within the next ten or twenty days? A. I don't recall that.

"Q. Do you deny that you told Mr. Allen that? A. I don't deny it and I don't affirm it.

"Q. Did you ask Mr. Allen whether he would be in New York in the next ten or twenty days? A. No, I don't recall that.

"Q. Do you deny that you asked him that? A. I don't recall it.

"Q. Did Mr. Allen tell you that he would be in New York for the next few days? (987) A. I don't recall.

"Q. Do you deny that Mr. Allen told you that? A. I don't recall.

"Q. Did you ask Mr. Allen whether Galic had gotten a concession for a German firm called Wintersall? A. I just testified to that.

"Q. I know you said you told him that, but I am asking you now whether you asked Mr. Allen that. A. I asked Mr. Allen if he knew about that."

* * *

(988) "Q. Did Mr. Allen deny that he knew anything at all about Wintersall or Galic's alleged participation with Wintersall?"

(That is not answered.)

"Q. I want to know if Mr. Allen flatly denied it. A. He said he didn't know about it.

"Q. Did you press him on that subject? A. No.

"Q. Did you tell Mr. Allen that you believed his statement? A. I didn't, I did not."

Now, offered by defendant without objection.

"Q. Did you tell Mr. Allen that if Galic had gotten a concession for Wintersall, that that would break your contract with Allen & Company? A. No."

Passing from Line 19 on Page 462 to Page 464, Line 23, offered by defendant without objection.

"Q. Did you mention to Mr. Allen that this would permit you to settle everything in Morocco, Holiday Inn, copper, Libya and the like? (989) A. I don't recall any such statement.

"Q. Was there any mention of Holiday Inn in this conversation? A. No.

"Q. Was there any mention of Morocco in this conversation? A. I testified to that just now.

"Q. Was there anything else said about Morocco other than as previously testified to? A. I don't recall it.

"Q. Was there anything said about copper? A. I don't recall anything said about copper.

"Q. Is it your best recollection that nothing was said about copper? A. I have no recollection.

"Q. Did you say to Mr. Allen that you would like to make a settlement within a week? A. No, I don't recall any such statement."

Passing from Line 17 on 465 to Page 466, Line 25, defendant offering without objection, Line 25:

"Q. Did you mention in that conversation that Allen & Company's participation in an underwriting was dependent upon Allen & Company settling with you? (990) A. No.

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"Q. Did Mr. Allen say to you in that conversation that he was not interested in the proposed new underwriting? A. No.

"Q. Did he say to you that the new underwriting meant nothing to him? A. No."

Plaintiff continuing:

"Q. Did he tell you that if you come to New York in the next ten or twenty days that he would be here? A. I don't recall that.

"Q. Do you deny that he said that? A. I don't affirm it, I don't deny it.

"Q. Did you meet with Mr. Allen around the first of July 1967? A. I don't recall.

"Q. Did you meet with Mr. Allen at any time after this Sunday conversation in June 1967? A. I don't recall."

Passing from Line 22 on Page 467, to Page 475, Line 14, defendant offering without objection.

"Q. Do you know when Wintersall filed its submission? A. Everybody had to file at the same time.

(991) "Q. It couldn't be any later than July 29th? A. No, they were not permitted. If anybody didn't have their bid in by that time, they could not put in a bid subsequent.

"Q. Could you put in a bid before that date? A. No.

"Q. In other words, everything had to be done on July 29, 1965? A. Yes.

"Q. Was that by order of the Libyan Government? A. That was by the published decree, I believe."

Passing from Line 13 to Line 24 on the same page, 476, also offered by defendant, subject to objection.

"Q. We will put it this way, did you receive any information from any source other than your lawyers concerning any alleged activities of Allen & Company in conjunction with Wintersall and Libya? A. Yes.

"Q. From whom did you receive that information? A. I received that information from someone * * *
(995) "Q. Did you at any time ask Galic about whether or not he had helped Wintersall? A. No.

"Q. Did Galic at any time tell that he had helped Wintersall? A. No.

"Q. Did DeRovin at any time tell you that DeRovin had helped Wintersall? A. No.

"Q. Did DeRovin at any time tell you that Galic had helped Wintersall? A. No.

"Q. Did DeRovin at any time tell you that Allen & Company had helped Wintersall? (996) A. No.

"Q. Did Ogbi at any time tell you that Galic had helped Wintersall? A. No.

"Q. Did Ogbi at any time tell you that he had helped Wintersall? A. No.

"Q. Did Ogbi at any time tell you that Galic had helped Wintersall? A. No.

"Q. Did you understand from what your informant told you that Galic had helped Wintersall prepare its admission? A. I don't recall.

"Q. Did you understand from what your informant had told you that Allen & Company was prepared to render financial assistance to Wintersall? A. I don't recall."

Now this is subject to objection.

"Q. It says here in your answer that Allen & Company and Galic had rendered assistance, financial and otherwise?

(No answer.)

"Q. Now I am going to ask you what is the 'otherwise' (997) referred to in Paragraph 11 of your answer? A. Assisting in obtaining oil concessions, and I don't know what further details, I was told he was compensated for it."

Mr. VanVoorhis: That we object to "I was told he was compensated for it."

Mr. Nizer: Read the rest.

"Q. Who was compensated? A. Galic.

"Q. Were you told that Allen & Company was compensated?"

Mr. VanVoorhis: This part is concluded by "who was compensated. Answer: Galic."

This we object to, hearsay.

The Court: I will allow it to stand.

Plaintiff reading. Page 482, Line 2:

"Q. Were you told that Allen & Company was compensated? A. I don't recall.

"Q. Can you tell me what the secret profit was which Allen & Company obtained from aiding one of your competitors? A. No.

"Q. Can you tell me what the personal gain was to Allen & Company from aiding one of your competitors? A. No.

(998) "Q. Can you tell me what the personal gain or secret profit was to Galic from aiding one of your competitors? A. I don't know the amount.

"Q. Didn't you tell Mr. Galic on July 16, 1965 that he was free to help anyone he wished? A. Yes.

"Q. Paragraph 11 refers to one of defendant's competitors, do you see that? A. Yes.

"Q. Was that Wintersall? A. Yes.

"Q. No one else? A. Not to my knowledge."

Passing now from the bottom of Page 482 to Page 503, Line 9. This is offered by defendant but without objection.

"Q. In your earlier testimony, Mr. Hammer, you mentioned that in a conversation in July or August, Mr. Herbert Allen mentioned DeRovin and that in London, on

September 18, 1964, Mr. Allen and Mr. Galic introduced you to DeRovin."

Mr. Nizer: No answer to that.

(999) "Q. That is substantially correct, isn't it, Dr. Hammer? A. Yes.

* * *

"Q. Other than those two occurrences, did Allen & Company at any time mention to you the name of DeRovin? A. I don't recall. It may have been in some telephone conversation but I don't recall anything.

"Q. In any conversation did Allen & Company suggest that Occidental should employ General DeRovin? A. You mean other than the ones you mentioned?

"Q. Yes. A. No.

"Q. Other than on September 8, 1964, did Mr. Galic suggest that you should employ General DeRovin? A. Yes.

"Q. When was that suggestion made to you? A. During the conferences with Mr. Galic at Claridge's Hotel.

"Q. In the period September 17th to September 19th? A. Yes.

(1000) "Q. At any later date did Mr. Galic suggest that you employ General DeRovin? A. Well, he was already employed writing, so it was a continuing arrangement.

"Q. At any time prior to September 17 did Galic suggest that you employ General DeRovin? A. Yes.

"Q. When was that? A. When I called him on the telephone after my conversation with Mr. Herbert Allen.

"Q. When you called whom? A. Galic on the telephone.

"Q. I thought you called Mr. Brenner and told Mr. Brenner to— A. I mean Brenner, I called Mr. Brenner and I told Mr. Brenner that Mr. Allen had said for him to get in touch with Mr. Galic, and then Mr. Brenner called me later back and said that Mr. Galic had told him to employ General DeRovin.

"Q. Was there any other occasion when Galic suggested that DeRovin be employed by Occidental? A. You mean after the agreement of September 18th?

"Q. Yes, or before, other than the conversation (1001) between Brenner and Galic. A. I don't recall."

Passing now from Line 5 on 506 to Line 23, on the same page, plaintiff reading:

"Q. When Blocks 42B and 44 were awarded, were they described as concessions numbered 102 and 103? A. I believe they were.

"Q. In other words, they changed the numbering system at the time of the award; is that correct? A. I believe, yes."

Passing from Line 4 on Page 507 through Line 4. And passing to 508, Line 8, plaintiff reading:

"Q. I show you a letter on the stationery of Occidental Petroleum Corporation dated April 5, 1967, and I ask you if your signature is appended thereto. A. Yes."

* * *

(1002) "Q. Did you receive the original of the letter a copy of which I now show you, dated April 11, 1967, from Allen & Company? A. Yes.

"Q. Did you receive the check mentioned therein? A. Yes."

Passing from Line 24 on Page 508 to 511, Line 11.

The Court: No, it isn't clear to me what document is being discussed there, since Line 11 starts with a question "Can you date the 'recent' telephone conversation?"

Mr. VanVoorhis: The letter to Allen & Company dated July 16, Line 18, I think it is.

Mr. Greenspoon: No, that's wrong. It is a letter dated, your Honor, November 3, 1965, and that is, I believe, in evidence as Plaintiff's Exhibit 147.

Mr. Nizer: This, as I recall, your Honor, is also a totally irrelevant document which your Honor said you will take subject to objection to strike.

(1003) Mr. VanVoorhis: I think it was taken mostly for the dating of the conversation.

Mr. Nizer: It had to do with Morocco and nothing to do with this case.

Mr. VanVoorhis: The conversation related to more than Morocco.

The Court: I don't see that there is a reference to any other matter except the Moroccan phosphate project. It is in evidence already, is it not?

Mr. Nizer: Subject to strike, your Honor.

The Court: Well, it is harmless leaving it in. It is in the same category as the letter that you decided to withdraw when an offer was first made by Mr. Greenspoon.

Well, as long as it is in, we will leave it in, but I am stating now I don't see it has any relevance at all to the issues in this case. I believe I allowed it in because of the date and I think it is particularly appropriate now since the question starting at Line 7, Page 511 is somewhat obscure in the absence of some tie-in date. So, go ahead.

Mr. VanVoorhis: Line 11, 511.

"Q. Can you date the 'recent' telephone conversation?
(1004) A. Yes.

"Q. Did you discuss with Mr. Allen your letter to Allen & Company dated July 16, 1965? A. I don't recall."

Now continuing, offered by defendant without objection.

"Q. Didn't Mr. Allen raise the subject of that letter with you in that conversation, Charles Allen? A. No.

"Q. I beg your pardon? A. No, I don't recall.

"Q. Is it your best recollection that he did or he did not raise the subject matter of your July 16 letter to him? A. My best recollection is that he did not."

Continuing on the same page, 512, to Line 16, defendant offering, we object to part of it, the part I will mention.

* * *

"Q. In any event, didn't Mr. Allen tell you that conversation which preceded November 3, 1965 that he (1005) thought you had no right to write any such letter? A. Certainly not.

"Q. Did Mr. Allen in that conversation say to you that he agreed with your letter dated July 16, 1965? A. I don't recollect that the letter was even discussed at that time—"

* * *

(1006) "Q. Dr. Hammer, Plaintiff's Exhibit 21—"

Mr. Greenspoon: That is Plaintiff's Exhibit 148.

"Q. —refers to a meeting in the office of Allen & Company which preceded November 8, 1965. Do you recall any such meeting? A. I believe there was such a meeting.

"Q. Can you fix a date for that meeting? A. No.

"Q. Could you tell us who was present at that meeting? A. Charles Allen was present. I was present. I don't recall whether Mr. Herbert Allen was present or not.

"Q. At that meeting in the office of Allen & Company, was there any discussion concerning your letter to Allen & Company dated July 16, 1965? A. No, I don't—there was no discussion.

"Q. Did you mention the July 16, 1965 letter at that meeting? A. No.

"Q. Did Mr. Charles Allen mention the July 16, 1965 (1007) letter at that meeting? A. No.

"Q. I show you a letter from Occidental Petroleum Corporation by Armand Hammer to Herbert Allen, dated November 26, 1965, a copy of a telegram enclosed there-

with, and a copy of a letter from Herbert Allen to you dated November 29, 1965, and I ask you whether you sent the letter dated November 26, 1965, and the copy of the telegram, and whether you received the letter from Herbert Allen dated November 29, 1965."

Mr. Nizer made an objection at that point and then said "subject to my objection, he says the signature is his and he also sent the letter of which you only produced a copy."

* * *

"Q. Is it your testimony that you sent the letter (1008) dated November 26 to Allen & Company together with the copy of a telegram enclosed therewith, and that you received the letter from Allen & Company dated November 29, 1965? A. Yes."

* * *

"Q. Dr. Hammer, Plaintiff's Exhibit 22 refers to a telephone conversation between you and Mr. Herbert Allen? A. Yes.

(1009) "Q. When did that telephone conversation take place? A. I assume it took place shortly before this letter was received.

"Q. Is it your best recollection that such a telephone conversation did take place? A. Yes.

"Q. In that telephone conversation, was there any mention made of the Libyan venture? A. No.

"Q. Was there any mention made of your July 16, 1965 letter? A. No."

* * *

"Q. I know there may not be a necessity, but did Mr. Herbert Allen raise the subject matter of Libya or your letter with you in that telephone conversation? A. No, but I had a previous telephone conversation some time, I believe, in August, where the matter was—after I sent my termination letter—where the matter was discussed and—

"Q. Before you go on, let me ask you, with whom (1010) was that telephone conversation? A. Mr. Herbert Allen.

"Q. Who called whom? A. I don't remember. I think Herbert—some business proposal or something in August—

"Q. Is this August, 1965? A. Yes.

"Q. Where were you at the time? A. I think I was in Los Angeles at the time.

"Q. And Herbert called you from New York, did he? A. I believe so. There was some business proposal."

Continuing, plaintiff reading:

"Q. What was the business proposal? A. I can't remember now because Herbert was continually referring to us any matters, any businesses that he thought might be of interest to us.

"Q. Will you go on and relate the conversation as between you and Herbert Allen to which you have just made reference? A. It was shortly after the—after this —after the notice about—in the course of conversation I mentioned something to Herbert about this terrible report that he had sent us about deRovin, and that under the circumstances we had no alternative but to act as we did.

(1011) "As I remember correctly, Herbert brushed it aside and said, 'Oh, that's all right, I understand.'

"It was something to that effect.

"Q. In that conversation did you mention the letter dated July 16, 1965 which you had sent to Allen & Company? A. Well, it was within a month after—a few weeks after the letter, it was some time in August.

"Q. Did you actually mention— A. Yes, yes.

"Q. Did you actually mention that letter? A. Yes, certainly.

"Q. Did you also mention the two telegrams which you enclosed with your letter, the one to deRovin— A. I don't recollect that I mentioned the letter. I mentioned spe-

cifically the report on deRovin, the terrible report that Herbert had sent me on deRovin.

"Q. Did you say that you thought that that was very decent of Mr. Allen to send you the report on General deRovin? A. No, I thought it was his duty."

Defendant offering, without objection:

"Q. Did you tell him that? A. No.

"Q. Did he say that he sent it to you because it was (1012) his duty? A. No."

Passing from line 14, page 520, to page 521, line 8, defendant offering, without objection:

"Q. Did you mention in that conversation with Herbert Allen that you thought he had fulfilled his duties in sending you the deRovin report? A. No."

Passing from line 11, page 521, to page 522, line 9:

"Q. What else was said in this conversation concerning deRovin or Libya between you and Mr. Herbert Allen? A. I think I have given you the substance of this conversation.

"Q. Can you recall anything else that was said? A. No, I can't.

"Q. Was Galic's name mentioned? A. I am not sure.

"Q. What is your best recollection? A. My best recollection is that it was.

"Q. That it was? A. Yes.

"Q. Will you give us the context in which Mr. Galic's (1013) name was mentioned? A. I don't—I can't remember any details other than what I have given you.

"Q. Didn't you tell Mr. Allen that you had received a telegram and a letter from Galic protesting his discharge? A. I don't recall.

"Q. Didn't Mr. Gallen tell you that he thought that Galic properly protested his discharge? A. Certainly not.

"Q. No mention of that subject at all? A. I said I think the name Galic came up, but I don't know exactly what was said. I have no clear recollection at this time."

Defendant continuing, without objection:

"Q. I show you Defendant's Exhibit 31 for identification and ask you if you sent that telegram to Allen & Company?"

Mr. Greenspoon: That is Plaintiff's Exhibit 146, your Honor.

* * *

(1014) "A. Yes.

"Q. You mentioned a trip which had been delayed.

"Do you notice that? A. Yes.

"Q. Was that a trip to Libya? A. No. I think it was a trip to Jacksonville.

"Q. Jacksonville? A. Florida.

"Q. Did you have a meeting on Thursday, November 4th at the office of Allen & Company? A. I believe I did.

"Q. And who was present at that meeting? A. Charles Allen and I am not sure whether Herbert (1015) was there or not.

"Q. In that meeting was there any discussion of Galic? A. No.

"Q. Or of Libya? A. No.

"Q. Or of the July 16, 1965 letter? A. No.

"Q. Did you say in that meeting that you were relying on Allen's financial backing in connection with the Libyan project? A. No.

"Q. Do you deny you made that statement? A. Yes, I do.

"Q. Was there any discussion in that meeting concerning Morocco? A. There may have been.

"Q. Will you tell us what that meeting was about, why you wanted a meeting with Allen & Company in Novem-

ber 1965? A. Well, we were doing business with Allen & Company. They were referring various business proposals to us.

"Herbert was—I think hardly a month went by (1016) that Herbert didn't either write me or telephone or send me some business proposal which we would look into.

"We were engaged in examining these proposals. We were in constant touch. There may be letters, other letters than what you have produced from Herbert during this period.

"I will be glad to produce t[illegible] various businesses, that he was proposing to p[illegible]all along—August, September, October, Novemb[illegible]

"Q. Was it Herbert Allen [illegible], as proposing these business deals? A. Most of this came through Herbert.

"Q. Then can you explain to me why you sent the telegram to Charles Allen? A. Charles was particularly interested in the Moroccan matter, and that's why it went to Charles.

"Q. Wasn't he also particularly interested in the Libyan matter? A. Well, not as much. That seems to be more Herbert's matter—Herbert was the one that originally called me and Herbert was the more interested, I think, in that.

"As a matter of fact, most of the deals came through Herbert and it was—it very seldom came through (1017) Charles.

"Q. In connection with this meeting, which took place on November 4, 1965, apparently, did you write a letter to Allen & Company, or make a memorandum of what occurred there? A. I don't recall.

"Q. Can you just in a word tell us what the subject matter of the meeting was? A. I am almost certain it was about Morocco, and it may have been the same subject matter as the subsequent letters that you produced earlier.

"Q. But you are not sure? A. I'm almost positive.

"Q. By the way, did you make a memorandum of that conversation you say you had with Herbert Allen in August, 1965? A. I don't recall any.

"Q. Did you write a letter to Herbert Allen confirming your August conversation? A. No, it wasn't necessary; I had written him in July. He hadn't answered my letter in July.

"Q. In other words, I gather from what you have testified that you were in quite close contact with Herbert Allen either by telephone or otherwise after (1018) July 16th? A. Absolutely.

"Q. Would you say that you talked to him as often as once a week during that period of time? A. No, no, but I would say once a month. That's why I said that this conversation took place in August, because it was about that time, and I am sure that there were calls back and forth, as I remember. I think Herbert called me, I called him.

"Q. You are able now to fix the date of that telephone conversation in August? A. Yes.

"Q. On the notion that you were talking to each other about once a month? A. And I knew it was comparatively shortly after the July letter.

"Q. Would you say it was within 30 days after the July letter? A. I would say about that—it might have been the latter half of August, it missed us by several days.

"Q. Would you say that at the outside the conversation took place with Mr. Herbert Allen prior to August 31, 1965? A. Yes.

(1019) "Q. And of course after July 16, 1965? A. Yes, definitely."

Passing from line 5, page 528, to page 541, line 22. This is offered by defendant, without objection:

"Q. Is it the fact that Occidental's bid was wrapped in ribbons of black, red and green, Libya's national colors? A. The answer is yes.

"Q. Was that suggested by Mr. Ogbi? A. No.

"Q. Was it suggested by Mr. deRovin or Mr. Galic? A. No.

"Q. Whose idea was that? A. That was Mr. Vaughan's idea.

"Q. Did Mr. Vaughan acquaint you with that idea before the concession bid was filed? A. I was there when we wrapped it.

"Q. You mean the suggestion was made by showing it to you? A. Yes, I was there."

Passing to line 21, same page, 542, plaintiff reading:

"Q. Did I understand you to say that you did not meet the King until after the concession was granted? (1020) A. Yes.

"Q. Does that mean until after the contract of concession was signed? A. Yes.

"Q. Did you meet the King in connection with rumors that had come to you that Libya was considering canceling your concession? A. Certainly not.

"Q. Isn't it the fact that— A. I only met the King this year, 1967.

"Q. Last year? A. Last year.

"Q. Isn't it the fact that you met the King and adopted a folksy approach because of these rumors? A. No, that is ridiculous. There is no such thing as a folksy approach.

"It is the imagination of the reporter who wrote the article from which you are reading.

"Q. Didn't Mr. Galic advise you early in 1967 that your concessions were in trouble, and he was going to help you? A. No, no.

"Q. Wasn't it at that point that you were given access to the King? (1021) A. No, certainly not."

Offered by defendant, without objection.

"Q. Who introduced you to the King, if you recall? A. I introduced myself. I wrote him a letter and he granted me an interview."

Passing from line 2, on page 544, to page 552, line 7, plaintiff reading.

"Q. Dr. Hammer, at the last session you may recall that you testified that you had some fear of Galic and the others breaking up the deal after you received the deRovin papers.

"Do you recall that? A. Yes.

"Q. Did Mr. Galic say anything to you upon which you premised your fear? A. No.

"Q. Did Mr. Galic write you any letter upon which you premised your fear? Or to anyone else. A. He subsequently wrote a letter, not at that time. I saw a letter later where he said that he had blocked us in Libya.

"Q. That letter was subsequent to July, 1965; isn't that correct? A. That is correct.

(1022) "Q. Limiting it to a date prior to July, 1965, had Mr. Galic written to you or to anyone else, to your knowledge, making any comments upon which you predicated your fear? A. No.

"Q. Had either of the Messrs. Allen said anything to you prior to July, 1965, upon which you premised your fear? A. No.

"Q. Had either of the Messrs. Allen written any communication to you or to anyone else, to your knowledge, prior to July, 1965, upon which you premised your fear? A. No, not to my knowledge.

"Q. Had Mr. Ogbi reported anything to you prior to July, 1965, upon which you predicated your fear concerning Galic and the others? A. No.

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"Q. I assume that if I asked you about General de-Rovin, your answer would be the same? A. That is right.

"Q. Prior to July, 1965, I believe that you had retained a gentleman by the name of Lawler. A. Yes.

"Q. What was his capacity? (1023) A. He was a geologist.

"Q. Was he an employee, or was he an independent contractor? A. I believe he was an independent contractor.

"Q. Do you know where his offices were at that time? A. I believe they were in Rome.

"Q. Did he have an office in Libya? A. I don't think so.

"Q. Was his sphere of activity insofar as your employment of that time is concerned limited to Libya? A. I believe so.

"Q. In other words, he was not working on any other projects for you, other than the Libyan projects? A. I don't recall.

"Q. At that time prior to July, 1965, did you have any official representative in Libya to whom the government of Libya was to bring up matters, sort of a liaison man? A. Yes.

"Q. Was that Mr. Lawler? A. At one time I believe it was Mr. Lawler.

"Q. Was it Mr. Lawler prior to July 9, 1965? A. I believe it was.

"Q. Was Mr. Ogbi at any time the official representative of Occidental with whom the Libyan Government (1024) was to discuss matters? A. Yes.

"Q. When was he that official representative? A. After the September 18th letter signed with Mr. Ogbi.

"Q. Are you talking about— A. September 18, 1965.

"Q. 1965 or '64? A. 1964, I am sorry.

"Q. In other words, you are talking about the London agreement? A. Yes.

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"Q. How long did Mr. Ogbi's representation continue? A. It continued a long time. I don't remember exactly how long.

"Q. Was it in existence at the time that the concessions were granted in February and March, 1966? A. Yes.

"Q. Did it continue thereafter? A. Yes."

* * *

(1025) "Q. Did there come a time when Occidental of Libya did open up an office in Libya? A. Yes.

"Q. Can you tell us when that was? A. I am not sure.

"Q. Was it after the concessions were granted or before? A. I believe it was after the concessions were granted.

"Q. Would it be some time after February or March, 1966? A. Yes.

"Q. In connection with your application for concessions, did you have to appoint an agent for service of process in Libya? A. I believe so.

"Q. Did you have to appoint this agent at or before the time you filed the application? A. I am not sure.

"Q. Was Mr. Ogbi at any time the agent of Occidental (1026) of Libya for service of process in Libya? A. I think he was.

"Q. Was he in 1965 and 1966 such an agent for service of process? A. I think he was in 1965—I am not sure about 1966.

"Q. In connection with your application for concessions, were you also required to qualify Occidental of Libya to do business in Libya? A. Yes.

"Q. Do you know what state Occidental of Libya is incorporated in? A. No, I don't. I think it is a Delaware corporation. I am pretty sure it is a Delaware corporation—in fact I am certain it is.

"Q. Who on behalf of Occidental of Libya performed the functions necessary to qualify Occidental of Libya to do business in Libya? A. First we had a man by the

name of Lenghi. When Mr. Ogbi—when an arrangement was made in September, he said that we had not qualified that there were some papers that were missing, and he undertook to complete the qualification.

"Q. To your knowledge, did Mr. Ogbi complete the (1027) qualifications? A. I believe so, yes.

"Q. Was there any written evidence submitted to you issued by the Libyan Government showing that Occidental of Libya was qualified to do business in Libya? A. Yes.

"Q. Do you have such a piece of paper or slip or whatever it is? A. I think it is part of our submission."

Defendant continuing, without objection:

"Q. Have you been able to establish the approximate date upon which you received the report on Mr. Ogbi that he was not a very large businessman? A. No, I have been unable to find any memorandum. I thought I had a memorandum of the conversation with the bank official in London, but my recollection is that I had a talk with the credit manager or one of the officials of the Chase Manhattan Bank in London, and that he had given me this report while I was in London.

"Q. What I am trying to do is fix a date, if that is possible. A. No, I can't fix the date.

"Q. Can you fix a year? A. Oh, yes, I can say it was in the—in September (1028) or October 1965 after we made the arrangements with Mr. Ogbi.

"Q. Do you mean 1964? A. 1964—I am always confusing 1964 and 1965.

"Q. Let's put it this way:

"Was it before you wrote the letter to Mr. Frottier dated November 25, 1964? A. Yes.

"Q. It was before that that you had received the report from the London banker concerning Mr. Ogbi's lack of industrial status? A. Yes.

"Q. Shall we call it that? A. Yes."

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Passing from line 11 on page 560 to page 562, line 6. This is offered by defendant, but without objection:

"Q. Do you know whether or not Occidental received this document with Mr. Frottier's physical signature upon it, that is, Plaintiff's Exhibit 30 for identification?"

* * *

(1029) "A. I do not recall.

"Q. Have you ever met Mr. Frottier? A. No.

"Q. Did Mr. Frottier ever talk to you? A. No.

"Q. Did you ever receive any writings from Mr. Frottier? A. I don't recall any.

"Q. Do you know whether anyone in Occidental ever talked to Mr. Frottier? A. I do not.

"Q. Do you know whether or not anyone in Occidental ever received a written communication from Mr. Frottier? A. I do not, other than this—

"Q. Plaintiff's Exhibit 30?"

That is P63.

"A. Yes.

"Q. Did you tell anyone in Allen & Company about Plaintiff's Exhibit 30 for identification? A. This was referred—Mr. Frottier was referred to me by Mr. Galic, and the arrangement with Mr. Frottier was prepared at the request of Mr. Galic.

"When I returned to New York from my trip to (1030) London, I had a telephone conversation with Mr. Herbert Allen in which Mr. Herbert Allen mentioned that he had heard from Mr. Galic about the arrangement with Mr. Frottier.

* * *

"Q. The question is, did you tell anyone in Allen & Company what the contents were of Plaintiff's Exhibit 30 for identification? A. I didn't have to tell—Mr.

Herbert Allen knew the contents when he spoke to me on the telephone."

Plaintiff continues reading:

"Q. Was your answer that you did not tell Mr. Allen the contents of Plaintiff's Exhibit 30? A. That is correct.

"Q. Did you send a copy of Plaintiff's Exhibit 30 for identification to anyone in Allen & Company? A. No."

Passing from line 13 on page 564 to the top of page 565, line 2, which is offered by defendant, without objection:

(1031) "Q. Did Mr. Galic tell you whether or not Mr. Frottier's name was actually Frottier? A. All I can tell you is that Mr. Galic was the man that requested that we engage Mr. Frottier and it was at his request that the agreement of November 25, 1964, was entered into with Mr. Frottier.

"Mr. Nizer: And that is Exhibit 30?

"The Witness: Exhibit 30.'

P63.

"Q. Did you ever ask Allen & Company to issue a letter to Mr. Frottier with relation to a payment of a million dollars? A. No.

"Q. Do you know whether or not Allen & Company did issue such a letter? A. No.

"Q. Did you ask any banking group to issue such a letter to Mr. Frottier? A. No.

"Q. Do you know whether any banking group issued such a letter to Mr. Frottier? A. No.

"Q. Prior to the signature of Plaintiff's Exhibit 30," that is P63, "did you tell anyone in Allen & Company that (1031a) you were going to include the language of Paragraph 5 in an agreement with Mr. Frottier? A. No.

(1032) "Q. Did you so understand the question? A. Yes.

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"Q. In Paragraph 1 you referred to two oil and gas concessions from Libya. Do you see that? A. Yes.

"Q. Are those the same two oil and gas concessions mentioned in the agreement dated September 1964 with Mr. Ogbi?"

* * *

"A. It could be the same, but there could also be other oil concessions, because as I read the language now, the agreement, it says that one concession at Occidental's option and one additional concession from any other area subject to Occidental's approval—so that they could be the same concessions as the ones mentioned in the letter of September 18, or they could be two other concessions from two other areas.

* * *

"Q. Is it your best recollection that the concessions (1033) discussed in Exhibit 30 could be the same and could be different from the concessions mentioned in Exhibit 7A?" P63.

Mr. Greenspoon: 7A, your Honor, is the agreement with Ogbi dated September 18, 1964, which is Plaintiff's Exhibit 38.

* * *

"A. At Occidental's option.

"Q. And that is your best recollection on the subject? A. Yes.

"Q. I take it that you were the author and the person who dictated Plaintiff's Exhibit 30 for identification, is that correct? A. I believe I was, yes.

(1034) "Q. Can you identify the person whose initials are 'JP'? A. No, I cannot. Probably a secretary. I don't know—it is not my regular secretary.

"Q. Did you dictate Plaintiff's Exhibit 30 from London or in the United States? A. My best recollection is that it was in London, but it might have been some secretary from the London office, I am not sure.

"Q. I gather that Mr. Frottier was not present at any of the meetings in London? A. No.

"Q. Who told you, if anyone did, that Mr. Frottier would accept the terms and conditions of Plaintiff's Exhibit 30? A. Mr. Galic.

"Q. Can you tell us who was the first one as between you and Mr. Galic who suggested the inclusion of Paragraph 6 in Plaintiff's Exhibit 30, P63? A. I suggested that.

"Q. In other words, you were the one who decided that you would put a 45-day limit upon Mr. Frottier's service? A. Yes, sir.

(1035) "Q. I don't know whether I asked you this or not, but do you recall whether or not you received back from Mr. Galic or Mr. Frottier a signed copy of Plaintiff's Exhibit 30? A. I don't recall. I did have—I believe I had a letter from our London office saying that they were forwarding to me a signed copy, signed by Mr. Frottier, and I have looked for that letter and I have not yet been able to find it.

"Q. Is your London office still extant? A. Yes, sir.

"Q. Do you know whether they have a carbon copy of any such letter in London? A. I asked them, and they did not have.

"Q. Somehow or other, it sticks in your memory that you did get such a letter. A. Yes.

"Q. Do you recall what that letter said? A. No, but it was just a signed copy returned with Mr. Frottier's signature."

• • •

(1037) "Q. Dr. Hammer, will you please look at Plaintiff's Exhibit 137 for identification and tell us whether or not that came from the files of Occidental? A. Yes.

"Q. Can you tell us from what file of Occidental Plaintiff's Exhibit 31 (P137) came? A. No, I cannot.

"Q. Will you tell us what was attached to Plaintiff's Exhibit 31 (P137) as indicated by the staple holes and marks on it? A. I think there was some canceled notes or something attached to it.

"Q. Was Mr. Ogbi in Los Angeles when this was signed by him? A. No.

"Q. Did you receive this from Mr. Ogbi by hand? A. No.

"Q. Do you know how Occidental or Dr. Hammer came into possession of Plaintiff's Exhibit 31 (P137) for identification? A. I believe it was—I believe that it came (1038) through the Barclays Bank in Tripoli where we have an account.

"Q. Did Mr. Ogbi draw from Occidental's account the sum of $5,000? A. Five thousand dollars was paid out and I believe it was paid out at that time to either—either to Mr. Ogbi or to Mr. Galic or some bank holding a note of Mr. Galic's.

"Q. Are you telling us that the $5,000 referred to in Plaintiff's Exhibit 31 (P137) was utilized to pay in part a note of Mr. Ogbi which was held by Mr. Galic? A. Yes.

"Q. Is that the note that you earlier referred to as having been shown to you in September 1964 by Mr. Galic? A. I am not sure. I don't recollect that.

"Q. Do you know of any other notes which Mr. Ogbi gave to Mr. Galic in the sum of $10,000? A. I don't know. I believe when I testified last I was mistaken. I was under the impression that we had loaned Mr. Ogbi $5,000 at the time he was in London in September 1964. And I have since found out that we had loaned him $10,000 and that Mr. Galic had loaned him $10,000, making a total of $20,000, and I believe that (1039) thereafter Ogbi had paid Mr. Galic back $5,000 on account of the $10,000, and that there was a balance left of $5,000 due to Mr. Galic from Ogbi. I believe this is the $5,000 Mr. Ogbi used to repay Galic.

"Q. I assume you are referring to Exhibit 31 (P17) when you say 'this.'"

The Court: May I interrupt on this, is my recollection correct that originally the testimony in effect was that Ogbi had asked for a loan of $20,000?

Mr. Greenspoon: Yes, your Honor.

Mr. Nizer: Yes.

The Court: And that Dr. Hammer, according to his testimony rejected it out of hand and later that day the discussion came up about a $10,000 loan, and that it was shared equally by both Galic and Dr. Hammer.

Mr. Greenspoon: Yes, your Honor.

The Court: Since his recollection has been refreshed it is a little different now, is that it?

Mr. Greenspoon: Yes, your Honor.

The Court: All right.

"Q. Did Mr. Galic ask you to advance him $5,000 for purposes of paying off Mr. Galic? A. No."

(1040) The Court: Well, that is a little confusing, isn't it? "I said Ogbi—" is part of the answer. All of the answer Line 21.

"Q. I'm sorry, did Mr. Ogbi ask you for $5,000 for purposes of paying off Mr. Galic? A. Yes.

"Q. And when did he do that? A. Some time on or about September 1965 or prior thereto.

"Q. Were you in Libya at that time? A. I was in Libya prior thereto.

"Q. And was it on one of your trips to Libya that you discussed this matter with Mr. Ogbi? A. Yes, I believe so.

"Q. And you think that was the—in September or possibly August 1965? A. It was prior to this period. I don't know exactly when it was.

"Q. You indicated today that you were mistaken about the amount of money lent to Ogbi in September 1964 by both Occidental and Galic. Do you recall that? A. Yes.

"Q. You just said that a moment ago? (1041) A. Yes.

"Q. What did you see which brought home to you the fact that you made a mistake? A. I believe that I saw a canceled check that I had given to either—either to Mr. Ogbi or to Mr. Galic, a personal check of $10,000 which was reimbursed to me by Occidental when I returned to Los Angeles.

* * *

(1043) "Q. Dr. Hammer, in your dealings with Ogbi Bros. did you deal with anyone other than Taher Ogbi? A. No, sir.

(1044) "Q. He was the only one you met or dealt with? A. Yes, sir."

* * *

(1045) "Q. I ask you if that is the note given by Ogbi in connection with the September 4, 1965 advance to him of $5,000? A. I believe it was.

"Q. Has that note of Ogbi Brothers been paid? A. Yes."

Passing now from Line 14 on Page 580 to Page 581, Line 17, read by plaintiff.

"Q. To digress for one moment, Dr. Hammer, did you tell Allen & Company about the $10,000 loans made by Occidental and by Galic to Ogbi on September 18, 1964? A. No. I assume that Galic did.

"Q. Passing your assumption for the moment, you did not? A. No.

"Q. Did you instruct Galic to tell Allen & Company about those two loans to Ogbi? A. No.

"Q. Did Mr. Galic tell you that he was going to tell Allen & Company about those two loans to Ogbi? A. No.

"Q. Did you suggest to Mr. Galic that he should tell (1046) Allen & Company about the two loans to Ogbi? A. No.

"Q. By the way, I take it that Mr. Herbert Allen was not present when the two loans were made to Mr. Ogbi? A. That's correct.

"Q. And I also assume from your answers that you never asked Allen & Company to advance 25 per cent of the loan made by Occidental to Ogbi? A. No."

Passing now from Line 15 on Page 582 to Page 584, Line 5:

"Q. Did you meet Mr. Galic in Paris or in Europe some time in July 1966? A. No.

"Q. After June 25, 1966, did you have any meetings with Mr. Galic in the United States? A. Yes.

"Q. Were those the ones that we were discussing last time that were held in August 1966? A. I believe they were.

"Q. And I take it that they were the only meetings you had with Mr. Galic after June 25, 1966? A. Until when? (1047) "Q. Until today. A. No, I met with Mr. Galic after the settlement with him.

"Q. Was that the meeting that took place in Paris? A. Yes."

Plaintiff reading.

"Q. By the way, did Mr. Galic ever tell you that he had told Allen & Company about the loans to Ogbi? A. No.

"Q. Did Allen & Company ever tell you that they knew about the loans to Ogbi? A. No.

"Q. Did Mr. Ogbi tell you why he wanted the loans? A. Mr. Galic first told me that Mr. Ogbi wanted the loan and I refused. I believe I testified to all this.

"Q. Yes, you told us you refused. I am trying to find out what you were told by Ogbi or Galic was the purpose of the loan, if anything? A. That he needed it for his business and that he was in need of money and he had pressing commitments. And as I testified before,

Mr. Galic said that I should remember that every businessman sometimes is short of (1048) cash.

"To me it was a shock that Mr. Ogbi, who had been represented as such a wealthy man, such a great industrialist, should be in need of a loan of $20,000."

* * *

"Q. Before Plaintiff's Exhibit 36 (no P80) and for identification was signed by Mr. Vaughan, did he discuss with you the terms and conditions and statements set forth therein? A. I don't recall.

"Q. Did Mr. Vaughan discuss the statements, terms and conditions of Plaintiff's Exhibit 36 for identification (no P80) with you after that exhibit was signed? A. At some time later it came to my attention, but I don't know exactly when.

"Q. How did it come to your attention? A. It may have been sent to me through the mail or Mr. Vaughan may have brought it with him on one of his trips to California, I don't recollect.

(1049) "Q. Wasn't Mr. Vaughan headquartered in California at that time? A. No, he was spending most of his time in Libya at that time.

"Q. Was he the senior officer of Occidental then spending most of his time in Libya? A. Yes, sir.

"Q. As a matter of fact, he was the second officer in command next to you, isn't that correct? A. Yes, sir.

"Q. Do you know what the matter of mutual interest presently under study was, which is referred to in the first paragraph of Plaintiff's Exhibit 36 for identification (Now P80)? A. No, I do not. It says 'matters,' plural,—no.

"Q. Yes? A. No.

"Q. Did Mr. Vaughan report to you that one of these matters was oil concessions? A. We were in Libya there trying to get oil concessions, but we were also interested

in other business opportunities in Libya. I don't know what he meant by 'matters'.

(1050) "Q. I am asking you if he ever reported to you what matters of mutual interest were presently under study? A. Yes. At one time—I don't know whether it was exactly in this connection, but I know that we had under study various matters, the possibility of getting oil concessions, the possibility of utilizing the gas that was being flared in Libya. There was some talk of some mineral concessions in Libya.

"Q. Were these matters under study, to your knowledge? A. Fertilizer projects and the sale of fertilizers.

"Q. Were these matters under study to your knowledge on the part of Occidental in February 1965? A. Yes.

"Q. The letter agreement goes on to say 'We were pleased to note once more your confidence in our ultimate success and the imminence of same.'

"Did Mr. Vaughan report to you what Mr. Ogbi had told him about your ultimate success and the imminence of same? A. I don't recall.

"Q. Had Mr. Ogbi ever told you prior to February 15, 1965, that he had confidence in your ultimate success and imminence of same? (1051) A. He told it to me in September 1964.

"Q. Mr. Ogbi told you that in September 1964? A. Yes.

"Q. Had Mr. Vaughan at any time prior to February 15, 1965, reported to you that Mr. Ogbi had confidence in your ultimate success and the imminence of same? A. I don't recall.

"Q. In what connection did Mr. Ogbi tell you that he was confident of your ultimate success and the imminence of same in September 1964? A. I don't know that he exactly used those words.

"Q. The substance— A. Or whether he said—he said imminence, but he did feel that we would be ultimately

successful in getting concessions in Libya, and that was the reason that I entered into the letter agreement with him of September 18, 1964.

"Q. By concessions, you mean oil and gas concessions, don't you? A. Yes, sir.

"Q. In the next paragraph of Plaintiff's Exhibit 36 for identification (now P80) it says 'We wish to confirm that we propose to work exclusively through you and your (1052) channels in this endeavor.' Do you see that? A. Yes.

"Q. Did Mr. Vaughan report on that subject matter to you in February 1965? A. I don't recall.

"Q. Did Mr. Vaughan report to you what Mr. Ogbi's channels consisted of? A. No.

"Q. Did you know at that time what Mr. Ogbi's channels consisted of? A. No.

"Q. Mr. Vaughan goes on to say, or Plaintiff's Exhibit 36 (P80) goes on to say as follows: 'As a result we naturally expect an exclusive effort for our account on your part.' Do you see that? A. Yes.

"Q. That is something you insisted on in September 1964, isn't that correct? A. That's correct.

"Q. And you gave Mr. Ogbi, if we read this exclusive, a like exclusive, and did you so tell Mr. Ogbi that in September 1964? A. I don't recollect.

"Q. Did you— (1053) A. If it was, it was in the letter agreement.

"Q. Did you tell Mr. Vaughan that he should make a mutual exclusive deal with Mr. Ogbi? A. No.

"Q. When you say Plaintiff's Exhibit 36 for identification (P80) for the first time, did you tell Mr. Vaughan that he was not authorized to make this arrangement on behalf of Occidental? A. No, I didn't think that there was any reason to tell him that.

"Q. By that, do you mean that he was authorized by you to make Plaintiff's Exhibit 36 (P80) for identification? A. No. I think that within the framework of the

September 18th agreement, he probably felt that he was within his rights to make such an arrangement.

"Q. In February 1965, and after February 15, did you work exclusively through Mr. Ogbi and his channels in order to get oil concessions? A. Until when?

"Q. We will leave the dates—we will leave the closing date loose, but let's start on February 16, 1965, and until June 19, 1965, if you want an ending date. (1054) A. Will you repeat the question?

"Q. I will rephrase it.

From February 16, 1965, to June 19, 1965, did you work exclusively through Mr. Ogbi and his channels in connection with your oil concession efforts in Libya? A. I don't know. I believe we exerted all efforts we could get—we could to get oil concessions.

"Q. As a matter of fact, you were utilizing Mr. Lawler's services through this very same period, isn't that right? A. We may have. I am not sure of that.

"Q. Wasn't Mr. Lawler's functions something other than as a mere geologist or engineer? A. No, I don't recall. He may have tried to help. We were glad to get help from anybody we could."

(1055) Passing from line 10 on page 594 to page 595, line 15, plaintiff continuing to read:

"Q. Mr. Hammer, did you send a copy of Plaintiff's Exhibit 37 to Allen & Co.? A. No."

Mr. Greenspoon: Your Honor, that is now 83 for identification and I now renew our offer in evidence of that document. It is an agreement between Occidental and Lawler dated February 20, 1965.

Mr. Nizer: Your Honor, this has been ruled out once before and there is no reason to renew it. The evidence since has come in that he was an independent contractor.

Mr. Greenspoon: Your Honor, the evidence is in the record that Mr. Lawler was the attorney in fact and that's in the application that Mr. Lawler was the attorney in fact in connection with the Libyan matters.

Mr. Nizer: No, no, I don't believe so.

Mr. Greenspoon: At that time.

Mr. Nizer: No, Mr. Ogbi is the one who was mentioned.

Mr. Greenspoon: Just one moment, Mr. Nizer.

Mr. Nizer: Would you please correct that.

The plaintiffs don't claim that they had anything to do with Occidental's engagement of Mr. Lawler as a (1056) geologist, as an independent contractor.

Mr. VanVoorhis: Some of the things that Mr. Lawler did or did not do and said bear on it.

Mr. Nizer: If it will save time I will point out to you that in Plaintiff's Exhibit 130, which is the submission, from page—under Item 4:

Libyan agent and attorney in fact for registration, Mr. Taher Ogbi, c/o Ogbi Bros., New State Office Building, Shara, Teheran, Fifth Floor, P. O. Box 357, Tripoli, Libya, Exhibit 3-B. Libyan Branch Manager, Mr. C. James Blom, c/o Libya Palace Hotel, Tripoli, Libya.

Mr. Greenspoon: May I read from this exhibit, your Honor, which says as follows, among other things:

"I, Paul C. Hebner—"

Mr. Nizer: Where is it?

Mr. Greenspoon: It is one of the exhibits—there is no page on this, Mr. Nizer.

Mr. Nizer: Please show Mr. Pollio so he can read it to you.

The Court: Mr. Nizer, frankly, I don't understand why you are objecting to this going in in the light of other evidence that has gone in.

Mr. Nizer: Your Honor my reason for objecting is not that this is not helpful to our cause in the sense (1057) that, your Honor, the document shows that he was engaged to make a special regional geological study incorporating all available stratographic, structural, and other geological data exclusively for Occidental for the purpose—and it states the purpose—for the selection of petroleum concessions, so that your Honor's observation, I get the full impact of it, in the light of this, this excludes their very claim that it was done through others.

But the point is that the plaintiff here can not get into an issue with respect to other people doing this job for us, particularly an indepenednt contractor, in order to somehow or other lift themselves by his bootstraps. In what way I don't know. I am simply trying to keep the record clean of something that is so clearly irrelevant.

The Court: I would say the record is somewhat blurred in some areas already. In fact, there is testimony by Dr. Hammer on this very subject.

Mr. Nizer: Only that he hired an independent contractor.

The Court: We will take it for whatever value it has.

Mr. Nizer: May we strike out the bottom? There is something added here as to where this file comes from. (1058) Will that be taken or stricken out?

The Court: I don't have it in my copy.

Mr. VanVoorhis: In view of Mr. Nizer's argument at this point I think we ought to point out that Mr. Lawler did not recommend the concessions which are the subject matter of this lawsuit.

Mr. Nizer: Judge VanVoorhis, that is not correct. Secondly, you are not the one to state whether it is. Respectfully, I say that to you.

Mr. VanVoorhis: You were just saying a moment ago that it was not, and I think I am entitled to point out that there is a very serious question in this case as to the accuracy of what you just said.

Mr. Nizer: I am reading from the document you offered. I can't be inaccurate. You offered that document. I read paragraphs 1 and 2.

Mr. VanVoorhis: You were objecting to the relevance of this, and I think that with respect to the extent to which these concessions were turned up by Galic or his group, it is quite relevant whether or not Mr. Lawler had previously recommended the same concessions. We take the position he did not.

The Court: Have you respective gentlemen each had your say?

(1059) Mr. VanVoorhis: Yes.

The Court: You may proceed.

* * *

"Q. Mr. Hammer, did you send a copy of Plaintiff's Exhibit 37 (P-83) to Allen & Company? A. No.

"Q. Did you discuss the terms and conditions of Plaintiff's Exhibit 37 (P-83) with Allen & Company? A. No.

"Q. Did you ask Allen & Company to discharge 25% of the stock options which Mr. Lawler was to get? A. I don't know how Allen & Company could discharge 25 percent of Occidental stock options.

(1060) "Q. Did you ask them to do it? A. It would have been preposterous to ask them to do it.

"Q. Did you ask Allen & Company to put up 25 per cent of the cash which was paid to Mr. Lawler? A. No.

"Q. Did you pay Mr. Lawler the stock option? A. The options were granted.

"Q. To Mr. Lawler? A. By Occidental.

"Q. And were they granted prior to July, 1965? A. Yes.

"Q. Did you tell Allen & Company that you had issued 2,000 options to Mr. Lawler? A. No.

"Q. Did you ask Allen & Company's permission to issue the 2,000 options to Mr. Lawler? A. No.

"Q. Was Plaintiff's Exhibit 37 for identification— A. I would like to correct that. I am not sure of the option —I am not sure the option was granted. * * * I think the option was (1061) conditional upon Occidental's getting the—getting a concession, and would only be granted after Occidental received the concession.

"Q. In other words, you want to change the date of the issuance of the option, is that the point? A. No, no, I don't think the option was ever issued.

"Q. Was Plaintiff's Exhibit 37"—

P83—

"for identification extended? A. I don't believe it was. "I think it ultimately terminated.

"Q. What puzzles me is—I am trying to reconcile your answers—you say that in the event Occidental of Libya should be granted concessions to explore for petroleum in Libya—and that did happen— A. Yes.

"Q. It says that you shall be retained for a period of one year under the terms set forth in Paragraph (b) above—and did that happen? A. No, I think it terminated—I think the contract terminated prior to the granting of the option.

"Q. I see.

In other words, Plaintiff's Exhibit 37"—

P83—

(1062) "was terminated before the concessions were granted; is that correct? A. Yes.

"Q. And that is what you base your belief on that the options were not issued? A. Yes, sir.

"Q. Had you and Mr. Vaughan discussed the maximum possible number of selections that Occidental would designate for concessions in or about February, 1965? A. I don't recall.

"Q. Had you discussed that there would be more than two selections made? A. I think we had in mind two or three.

"Q. Did you advise Allen & Company of the concessions which you had in mind prior to July, 1965? A. No.

"Q. Did you ever discuss with Allen & Company the geological information you had about the concessions you were thinking of designating? A. I assume that Allen & Company had a copy of our September 18th letter with Galic and Ogbi and deRovin, in which there was some mention made of the areas which we were interested in.

"Q. But you had not delivered copies of those (1063) September 18, 1964, agreements to Allen & Company, had you? A. No, but when I spoke to Mr. Herbert Allen on the telephone in November, I understood from our telephone conversation that he had information about these concessions, and that we were seeking both in the agreement with Ogbi, and in the arrangement with Frottier."

Now I am reading what is offered by defendant, but without objection.

"Q. Did Mr. Allen indicate in that telephone conversation that he knew that you had made these three agreements in England in September, 1964? A. Yes.

"Q. He knew that you had made an agreement with deRovin, Ogbi and Galic? A. And Frottier.

"Q. You mean your conversation with Mr. Allen was subsequent to the agreement with Frottier? A. Yes, in November or December, I forget when it was—some time—I think it was around the 17th of December, 1965.

"Q. 1964? A. 1964.

* * *

(1064) "Q. If you will turn to page 2 of Plaintiff's Exhibit 36"—

P80.

—"for identification, there is mentioned there that you confirm your intention to appoint Ogbi, you say, 'under terms and conditions to be mutually determined during the next few days'—do you see that? A. Yes.

"Q. Were those terms and conditions mutually agreed upon? A. Yes.

"Q. Or determined shortly thereafter? A. Yes.

"Q. Do you have a copy of any such agreement? A. Yes."

* * *

(1066) "Q. Did Mr. Vaughan discuss the terms and conditions of Plaintiff's Exhibit 38 for identification"—

P213—"with you before he actually signed it? (1067) A. I don't recall.

"Q. Did you discuss Plaintiff's Exhibit 38"—

P213—"with you after it was signed? A. It came to my attention after it was signed.

"Q. In other words, this was signed in Libya and it was sent to you in California? A. That is my best recollection.

"Q. Did Mr. Ogbi register and qualify Occidental of Libya to do business in Libya? A. He helped to register and qualify Occidental in Libya.

"Q. Was Occidental of Libya registered and qualified in Libya in the realm of exploration, development, production, transportation, and ancillary activities related to natural gas, petroleum and other hydrocarbon substances? A. Yes, I believe so.

"Q. And was it also qualified and registered in Libya in the realm of all activities relating to the manufacture,

processing, mixing, transportation, sale and marketing of chemical fertilizers? A. I believe so.

"Q. Did Mr. Ogbi protocolize, legalize and register in the proper offices in Libya the corporate documents (1068) and other instruments required by its laws? A. He helped to do that.

"Q. And were, to your knowledge, all of such corporate documents and other instruments protocolized, legalized and registered in the proper office in Libya? A. They were.

"Q. Was Occidental of Libya ultimately duly authorized to transact business and function in Libya? A. Yes, sir.

"Q. And did Mr. Ogbi do anything in connection with that? A. He helped. He did some of the paper work and some of the leg work.

"Q. You say he helped. Whom was he helping? A. Mr. Vaughan.

"Q. Was he also helping Mr. Lawler? A. No, I think not.

"Q. But when did Mr. Vaughan go to Libya on a more or less permanent basis? A. I couldn't tell you that.

"Q. Was he in Libya on a more or less permanent basis from Jannuary 1, 1965, through the year of 1965? A. Most of the year he was there."

Passing to page 604, line 13, continuing to (1069) read for the plaintiff:

"Q. Well, to your knowledge did Mr. Ogbi fail to perform any capacity or to represent the company in any special capacity as directed by the officers of the company? A. I don't think he was requested to do anything substantially beyond assisting us in the formalities of complying with the Libyan laws, to get the company properly registered to do business in Libya.

"Q. You go on to say in Paragraph 2 of Plaintiff's Exhibit 38"—

P213—"that a special power of attorney, as defined in Paragraph 1, 'shall remain in effect until written notice of termination is made by either party'.

"Do you see that? A. Yes.

"Q. Was this special power of attorney a separate document from Plaintiff's Exhibit 38"—

P213—"for identification? A. Yes.

"Q. Do you have a copy of the original of that document? A. Yes, I believe we do.

"I believe in connection with the conditions of the concession, you must have a residence in Libya."

(1070) Mr. Nizer: I think that on line 10, will you read that? The witness said that.

Mr. VanVoorhis: I will read the colloquy—

Mr. Nizer: Not, not colloquy.

Mr. VanVoorhis:

"A. Yes, I believe we do.

"The Witness: I believe it is part of the submission—the submission in connection with the concession. I believe in connection with the conditions of the concession, you must have a residence in Libya.

"Q. Is that the special power of attorney you are discussing? A. I believe so.

"Q. Did that special power of attorney remain in full force and effect until February or March 1966? A. I believe so.

"Q. In Paragraph 3 it is further said as follows:

'You will pursue to the best of your ability all of the objectives presently under consideration, namely, the obtaining of oil and gas concessions of our selection and the establishment of a fertilizer industry related problems.'

"Do you see that? A. Yes.

Armand Hammer, E.B.T.

"Q. From February 18, 1965, to July 17, 1965, did (1071) Mr. Ogbi pursue to the best of his ability all of such objectives, to your knowledge? A. I believe he did.

"Q. Did Mr. Vaughan report to you that he did not pursue to the best of his ability all of such objectives? A. No."

• • •

"Q. Did Mr. Vaughan report to you that he did not pursue to the best of his ability all of such objectives? A. No."

Now, passing from that, line 13 on page 606, we go to page 613, line 16, and this is offered by defendant, without objection:

"Q. Did there come a time when Occidental decided to terminate Plaintiff's Exhibit 38 for identification?"

P213.

"A. Yes."

Passing from there to page 614, line 15, and read for plaintiff:

"Q. What I am trying to find out, Dr. Hammer, is this: "There came a time when you decided to terminate Plaintiff's Exhibit 38 for identification;"—P213—"isn't (1072) that correct? A. Yes.

"Q. I take it that you did not terminate it under Exhibit 8-A for identification. For some reason or other you struck it out."

Mr. Greenspoon: 8-A, your Honor, is in evidence as Plaintiff's Exhibit 122.

The Court: My recollection is that the witness had been questioned to the exclusion of the February 18, 1965, document in Plaintiff's Exhibit 122.

Mr. Nizer: Yes.

The Court: It wasn't clear at the time and this explains it now somewhat.

Mr. Nizer: He remained to legalize the company in Libya.

The Court: All right.

Mr. Vaughan: The question was, I take it, "You did not terminate it under Exhibit 8-A?" P122 for identification—

The Court: That is P122 in evidence in this case?

Mr. VanVoorhis: Yes. 8-A for identification and P122 in evidence.

"Q. For some reason or other you struck it out.

* * *

(1073) "A. That is available."

* * *

"Q. What I am trying to find out is this:

"Did the deRovin report have anything to do with your decision to terminate the September agreement with Ogbi? A. Yes."

* * *

"Q. But you decided not to terminate the February 18th agreement with Ogbi: is that right? A. That is correct."

* * *

(1074) "Q. Did you tell Ogbi that you wanted to terminate the September 18, 1964, agreement because of the deRovin exposure? A. Yes."

* * *

"Q. Did you tell Ogbi that despite the deRovin exposure you did not want to terminate the February 18, 1965, (1075) agreement? A. Yes."

* * *

Armand Hammer, E.B.T.

"Q. At the time you received duplicate original of Plaintiff's Exhibit 38, was it in the condition it is now? A. Yes, sir."

• • •

(1076) "Q. Mr. Hammer, that is your signature, is it not, on Plaintiff's Exhibit 39 for identification?"

Mr. Greenspoon: That has now been marked Plaintiff's Exhibit 125 for identification and I offer it in evidence.

• • •

"A. Yes.

"Q. I call to your attention the first paragraph thereof which refers to a consolidation of Occidental of Libya, Inc.'s understanding with you into a single agreement.

"Do you see that? A. Yes.

"Q. Did you, Mr. Hammer, make some sort of oral arrangement with Mr. Ogbi on behalf of Occidental of Libya, preceding July 26, 1965? A. No.

"Q. Is this the first agreement between Occidental of Libya, Inc., and Ogbi which you know of? A. The first agreement?

"Q. Yes. A. I don't know.

"Q. Weren't there other agreements between (1077) Occidental Petroleum Corporation and Ogbi other than the agreement dated July 26, 1965? A. No.

"Q. So far as you know, that is the only written agreement between those two parties? A. Right, except that the other company is a wholly owned subsidiary.

"Q. Occidental of Libya is a wholly owned subsidiary of Occidental Petroleum? A. That is correct."

Passing from line 20, page 621, to page 622, line 8, offered by defendant, but without objection:

"Q. In the very first paragraph of Plaintiff's Exhibit 39"—

P125—"it refers to all other written and verbal agreements as might now exist.

"I assume from your testimony that you know of no other written agreements other than the one dated September 18th, February 18th and February 15th. Is that correct? A. There is the June 19th"—

Mr. Nizer: That is 1964, not 1965.

Mr. VanVoorhis: "A. There is the June 19th—I don't know if you call that an agreement or not.

(1078) "Q. This one is also between Occidental Petroleum and Ogbi. Is that correct? A. Yes.

Q. And I am referring to Plaintiff's Exhibit 8?"

Mr. Greenspoon: Plaintiff's Exhibit 122 in evidence now, your Honor.

* * *

"A. Yes.

"Q. What verbal agreements existed at the time either between Occidental or Occidental of Libya, on the one hand, and Ogbi on the other? A. I know of none.

"Q. In the first paragraph on page 2, Plaintiff's Exhibit 39"—

P125—"you state that the activities are separate from any intervention by you for the company's account relative to the acquisition of petroleum concessions, from which you are totally divorced and are free to act (1079) for anyone you may wish.

"Do you see that? A. Yes.

"Q. Is that the first time you had ever told Mr. Ogbi that he was divorced from intervention with respect to the acquisition of petroleum concessions for the company? A. I think that June 19th is the first time.

"Q. In other words, you are telling me that Plaintiff's Exhibit 8"—

P122—"dated June 19, 1965, was intended to divorce Ogbi from any obligation to work for you to obtain concessions? A. Yes.

Armand Hammer, E.B.T.

"Q. Are you sure of that? A. It cancelled the agreement of September 18th and the agreement of September 18th was the agreement that was the one that—
(1080) "Q. Did you at that time orally tell Mr. Ogbi—June 19, 1965, that he was free to act for anyone he wished in connection with the obtaining of petroleum concessions? A. I did not, but the cancellation of the September 18th agreement would clarify that.

"Q. Subsequent to July 26, 1965, did Mr. Ogbi act as agent and attorney in fact for registration and legalization of Occidental of Libya? A. Yes, he helped in that respect."

* * *

"Q. The second paragraph of Plaintiff's Exhibit 39 (P-125), Dr. Hammer. A. Yes, the company continued to be registered and legalized to do business in Libya.

"Q. You say such position, meaning agent and attorney in fact is evidenced by documents numbered thus and so.

"Do you see that? A. Yes.

"Q. So I assume from what you say that those documents (1081) were not terminated by Occidental at any time subsequent to July 26, 1965 until Occidental set up its own office in Libya: is that correct? A. I believe so."

Now plaintiff continuing to read:

"Q. And have you been able to establish the date when Occidental set up its own office in Libya? A. I believe it was immediately after the concession was awarded."

Defendant now reading without objection:

"Q. Who was in charge of that office? A. Mr. Vaughan is still in charge of that office.

"Q. Does he spend his time over there or in California? A. He shuttles back and forth.

"Q. Is there anyone permanently stationed in Occidental's Libyan office who is in charge of it subject to

Mr. Vaughan's overall supervision? A. There are several people there.

"There is Mr. Blom—

"There is Mr. Blom and Mr. Burns. There is Mr. Varnum.

"These are the three key men, I would say.

"Q. And I take it that they are permanently stationed in Libya?

(1082) "Yes."

This is read for plaintiff:

"Mr. Hammer, did this letter from Mr. Vaughan to Mr. Galic, Plaintiff's Exhibit 40, come to your attention at or about the date it bears?"

Mr. Greenspoon: At this time, your Honor, we offer in evidence the document there referred to as Plaintiff's Exhibit 87. It is a letter from Mr. Vaughan to Mr. Galic. Plaintiff's Exhibit on the EBT 40 is now 87.

(Plaintiff's Exhibit P-87 was received in evidence.)

Mr. VanVoorhis: When I spoke and read this question I should have said P-87 because it has since been received.

"A. No.

"Q. Do you agree that that is a copy of a letter which Mr. Vaughan did write to Mr. Galic? A. Yes. It was furnished to me by Mr. Vaughan.

"Q. And it was produced from Occidental's files? A. Yes, at a much later date.

"Q. When was the first time that you saw Plaintiff's Exhibit 40 (P-87) or a copy thereof? A. I think it was the time when I was gathering material together for the deposition.

(1083) "Q. You mean after the lawsuit was commenced? A. Yes.

Armand Hammer, E.B.T.

"Q. Mr. Vaughan reports to Mr. Galic that in regard to the Libyan project 'I found things in a rather confused state of affairs upon my return to Los Angeles'.

"Do you see that? A. I read it."

* * *

(1084) "Q. Will you tell us what the confused state of affairs was? A. I do not know."

Parenthetically, this refers to a report by Mr. Vaughan to Mr. Galic that he found things in rather a confused state of affairs on his return to Los Angeles.

"Q. He went on to say as follows: 'That such'—presumably the confused state of affairs—'results largely from understanding and communication problems as I indicated to you would be a very likely result of attempted telephone communications.' Do you remember that? A. I see it.

"Q. Didn't you tell Mr. Galic that he should communicate with you only by telephone? A. No.

"Q. Do you know what the alternatives were to which Mr. Vaughan was referring? (1085) A. I do not.

"Q. You don't know what they are? A. No.

"Q. Did Mr. Vaughan report to you when he returned to the United States that he discussed alternatives with Mr. Galic? A. No.

"Q. Did he tell you that he had been to Libya with Mr. Galic? A. No, I don't recall.

"Q. Do you know whether or not Mr. Vaughan saw Mr. Galic shortly after March 5, 1965, in Europe or in Libya? A. No, I do not.

"Q. I take it that you have no report concerning Mr. Vaughan's trip to Libya in March or late February 1965? A. I do not."

Reference is made here to Exhibit 41 for identification in the EBT, a letter dated March 8, 1965, from Galic to Vaughan.

Mr. Greenspoon: It is offered in evidence, Plaintiff's Exhibit 89, which was previously marked Plaintiff's Exhibit 41 for identification.

(Plaintiff's Exhibit 89 for identification was received in evidence.)

* * *

(1086) "Q. You do recall, do you not, Mr. Hammer, that Mr. Vaughan did go to Libya in either February or early March 1965? A. I know he was going back and forth, and I am sure that he must have been in Libya in February 1965.

"Q. I take it that Mr. Vaughan acted under your general jurisdiction at that time? A. That is correct.

"Q. And in the scheme of the hierarchy of Occidental he reported to you? A. That is correct.

"Q. And didn't you consider it vital at that time for you to discuss with Mr. Vaughan what had happened on his trip to Libya? A. We usually discussed things when he came back from a trip, but I have no recollection, no independent recollection of what was discussed on his return in February.

"Q. Certainly you wanted to know what had happened in connection with Mr. Vaughan's trip in early 1965? A. He usually kept me informed.

"Q. But there is nothing that you could use to refresh your recollection as to what he did report to you? (1087) A. No.

"Q. But you are reasonably sure that he did report to you as to what happened? A. He usually reported after a trip.

"Q. How did he usually report, orally or in writing? A. Orally.

"Q. Did the original of Exhibit 41 (P89) come to your attention on or about the date it bears? A. No.

"Q. Then when for the first time did you see an original or a copy of Plaintiff's Exhibit 41 (P89)? A. After the litigation started.

"Q. Did Mr. Vaughan discuss with you any statement that he said came from Mr. Galic concerning whether or not you would get a concession in Libya? A. I don't recall such a conversation. I don't recall any such conversation.

"Q. Do you recall a conversation with Mr. Vaughan concerning the dismissal of Ogbi? A. Yes.

"Q. Didn't that take place some time prior to June 1965? A. No.

"Q. When did that take place? (1088) A. June 19, 1965.

"Q. In June 1965? A. On June 19, 1965, when the letter was written.

Q. But before the June 19, 1965 letter was written, did you have a discussion with Mr. Vaughan concerning the dismissal of Ogbi? A. No."

The Court: Before you go ahead, what exhibit number is the June 19 letter?

Mr. Nizer: 122.

Mr. Greenspoon: 122, I believe, your Honor. That is 122, your Honor.

The Court: I know which one it is. All right.

"Q. In other words, he went through the dismissal of Mr. Ogbi without clearing it first with Mr. Vaughan? A. Yes, I didn't clear things with Mr. Vaughan.

* * *

"Q. Did you ever ask Mr. Vaughan what his views on Ogbi were? A. In what regard?

"Q. Before you went to London you had made up your mind to dismiss Ogbi, isn't that so? (1089) A. Yes.

"Q. And that was some time in June 1965, is that right? A. Yes. I wouldn't say it was some time in June, it was after receiving the DeRovin report.

"Q. But it was some time before June 19, 1965? A. Yes.

"Q. Is that correct? A. Yes.

"Q. And in connection with making that determination, didn't you discuss Mr. Ogbi with Mr. Vaughan? A. No. I made that determination myself.

"Q. Without discussing it at all with Mr. Vaughan? A. That is correct.

"Q. Did you discuss that determination with Mr. Blom? A. No.

"Q. According to Plaintiff's Exhibit 41 (P89) you had told Mr. Galic that you intended or planned to be in London at the beginning of April, do you recall any discussion with Mr. Galic on that subject? A. No. I do not.

"Q. Were you in London in April 1965? (1090) A. I don't believe so.

"Q. Did Mr. Vaughan report to you that he had received a communication from Mr. Galic that Galic had been completely assured that Occidental would get the concession? A. No.

"Q. Sir. A. No.

"Q. You have no recollection of that being said to you at all? A. No, I do not.

"Q. By the way, when Mr. Vaughan was in California, where was his office located? A. Bakersfield.

"Q. Where was your office located? A. Los Angeles.

"Q. For the unitiated, can you tell us the location of each? A. About 100 miles apart.

"Q. Did you have a direct telephone tie between the two offices? A. Yes.

"Q. In other words, it was not very difficult to communicate with each other? A. No.

(1091) "Q. Do you know whether or not Mr. Vaughan at any time communicated with Allen & Company concerning Mr. Vaughan's activities in Libya? A. I do not.

"Q. I assume from the lack of production thereof, that you have found no copy of a letter written by Mr. Vaughan to Allen & Company? A. No.

"Q. Prior to July 1965? A. No, sir.

"Q. You have not found such a letter? A. No, sir."

Passing from Line 13, Page 635 to Page 640, Line 3: Plaintiff still reading.

"Q. In the second paragraph there is a letter referred to from Ogbi to Mr. Vaughan, do you see that? A. Yes, I do.

"Q. And Mr. Vaughan reports that he delivered it to Mr. Vaughan who in turn discussed this with Dr. Hammer, do you remember that? A. Yes.

"Q. And then it goes on to say that Dr. Hammer will be dealing with the problem in the near future. (1092) A. Yes.

"Q. What was the problem that Dr. Hammer was going to be dealing with in the near future? A. I do not know.

"Q. Isn't it a fact that during this period of time there was a series of letters passing forth between Mr. Vaughan and Mr. Lawler on the one hand, and Mr. Vaughan and Mr. Ogbi on the other hand, as to a dispute between Lawler and Ogbi? A. I don't know."

* * *

(1094) "Q. Are there any letters in your file from Lawler to Vaughan or from Ogbi to Vaughan which would refresh your recollection on that subject? A. I have not seen any."

Mr. VanVoorhis: The subject, I may say parenthetically, is the dispute between Lawler and Ogbi.

"Q. And have you searched for any communications between Lawler and Vaughan? A. Yes.

"Q. And you found none? A. That is right.

(1095) "Q. Would it refresh your recollection if I told you that there was a dispute concerning who should carry on political activity on behalf of Occidental in Libya? A. No.

"Q. And this dispute was between Mr. Ogbi and Mr. Lawler? A. No.

"Q. You don't remember that? A. No.

"Q. And that Mr. Ogbi objected that Mr. Lawler was moving into his area of competence? A. No.

"Q. You don't remember that? A. No, I do not.

"Q. And that you resolved this dispute and ordered Mr. Lawler to desist? A. No, I do not.

"Q. And ordered that Mr. Ogbi be given a free hand? A. No.

"Q. I assume that the proposal to the Ministry of Industry is the Arabic language document which we just recently marked for identification? A. Yes.

"Q. And it says here: 'Several changes from the (1096) original English version'—do you have a copy of the original English version? A. I believe we do.

"Q. If you look at the third paragraph of Plaintiff's Exhibit 44 (P99), you will note the reference that Prime Minister Muntasser has resigned because of ill health. Do you see that? A. Yes.

"Q. Isn't it a fact that Mr. Ogbi told you at that time that the resignation of the Prime Minister has caused some political problems for him? A. No.

"Q. And that for that reason especially, he wants Lawler to cease interfering? A. No.

"Q. Mr. Blom goes on to say 'We consider how this change—'"

* * *

(1097) "'We wonder how this change may affect our program in Libya.'

"Do you see that? A. Yes.

"Q. Did you discuss this wonderment with either Mr. Blom or Mr. Vaughan at the time? A. I believe it was explained to me that Mr. Muntasser had ideas about granting concessions that might have differed from the ideas that Mr. Mazik had.

"To the best of my recollection Mr. Mazik was, I believe, of the opinion that national companies should be favored, whereas Mr. Muntasser was more inclined to continue the concessions policy of granting concessions to foreign oil companies.

"This is the best of my recollection.

"Q. Do you recall actually seeing an item in the New York Times about Prime Minister Muntasser? A. No, I do not.

"Q. Do you recall that his resignation was brought to your attention in late March, 1965? A. Yes.

"Q. Wasn't it just about this time that you received the deRovin report from Mr. Allen? A. I don't know whether they were about the same (1098) time.

"From this letter it would appear that the New York Times article was in March, and of course the deRovin report was received from Mr. Allen, that was also in March."

This is offered by defendant, without objection:

"Q. As a matter of fact, Mr. Galic advised you of the deRovin report before you received it from Mr. Allen; isn't that so? A. No, that is not so.

"Q. In any event, didn't you send Mr. Blom to Libya as soon as you heard of the Prime Minister's resignation, to discover what effect, if any, that would have on your objective in obtaining concessions? A. No.

"Q. Wasn't it part of your wonderment at that time that perhaps you wouldn't need Mr. Galic any more because of the change in government? A. No."

Passing from line 18, page 644, to page 655, line 7, read for plaintiff:

"Q. Mr. Hammer, did you advise Allen & Company at any time prior to July 17, 1965, that you had asked Chase Manhattan Bank to write the letter which has been heretofore (1099) marked Plaintiff's Exhibit 9 for identification?"

Mr. Greenspoon: That is Plaintiff's Exhibit 123 now, your Honor.

* * *

"A. No.

"Q. Did you advise Allen & Company that Chase Manhattan Bank had written the letter dated July 15, 1965, to Mr. Kabazi, which has been previously marked Exhibit 9 and 9-A for identification? A. The answer is no."

P123 and P123-A.

* * *

"Q. Prior to July, 1965, were you told by Mr. Galic that the highest bid might not get the concessions? A. No.

"Q. Did you understand from any source prior to July, 1965, that the highest bid would not necessarily get the concession? A. I didn't—no, I had no knowledge on that subject."

* * *

"Q. Did anyone report to you that according to the terms laid down by the Libyan Government, the highest bidder might not necessarily get the concession? (1100) A. There was some discussion around oil circles that the kind of bid might have a lot of bearing on the granting of the concession in respect to what inducement were offered to the government which would not necessarily mean the highest cash bid.

"Q. Did you go to Libya in June, 1965? A. It was either June or early July."

* * *

"Q. I take it that from September, 1964, to July, 1965, you made several trips to Libya? A. No, I don't think I made several trips.

"Q. How many trips do you think you made to Libya in that period of time? A. I don't think I made more than one trip.

"Q. And when do you think that trip was? What was the date of that? A. I think it was—I think the only trip would have been either in the last half of June or the first half of July.

"Q. Of what year? A. 1965.

"Q. Did you report to Allen & Company what you observed on that trip to Libya? A. No.

(1101) "Q. I believe you testified at the last session that Mr. Brenner from time to time gave you oral reports on what he was doing in connection with the Libyan venture; isn't that correct? A. Yes.

"Q. Did you report to Allen & Company the substance of those oral reports of Mr. Brenner to you? A. No.

"Q. Some of those oral reports from Mr. Brenner to you were during the period September, 1964, to July, 1965; isn't that correct? A. Yes.

"Q. And I assume from what you say that you did not report to Allen & Company those reports of Mr. Brenner? A. No.

"I think there was some correspondence with Mr. Brenner that Mr. Allen had copies of and that there was some telephone conversations with Mr. Allen in the latter part of 1964 in which this activity of Mr. Brenner was discussed.

"Q. Discussed by whom, by you? A. And Mr. Allen.

"Q. Mr. Herbert Allen or Mr. Charles Allen? (1102) A. Mr. Herbert Allen.

"Q. Are you telling me that there were conversations between you and Mr. Herbert Allen some time in 1964 concerning Mr. Brenner's activities? A. With Mr. Brenner, yes.

"Q. Do you recall when those conversations were? A. I think they had led up to the signing of the agreement with Mr. Allen on December 17, 1964.

"Q. Isn't it a fact that the only conversations that you had with Mr. Allen concerning Mr. Brenner were those which antedated September 18, 1964? A. I am

not sure of that. There were some—there were some which antedated September 18, 1964, but I am not sure that there was—that there were discussions again in December, 1964, at the time that Mr. Allen and I made the letter of understanding.

"Q. What did you say to Mr. Herbert Allen concerning Mr. Brenner's activities in these telephone conversations? A. I don't recall now."

This is now offered by defendant, without objection. "Mr. Allen was being advised by Mr. Galic and I believe he asked certain questions which were based on the information that he was getting from Mr. Galic.

"Q. Can you tell us what those questions were? (1103) A. I think they were—I think they had largely to do with Mr. Ogbi's activities and Mr. Frottier's activities.

"Q. Mr. Who's activities? A. Mr. Frottier's.

"Q. We were talking about Mr. Brenner's activities, and I thought you said that Mr. Allen asked you some questions concerning Mr. Brenner's activities. A. It was not his activities. It was the report, I think, as to what Mr. Allen had been informed, either by Mr. Galic or by General deRovin. I think there is a letter in the files, or an exchange of letters with Mr. Allen on this subject.

"Q. Those are in September, 1964; is that right? A. I believe so."

Plaintiff continues reading:

"Q. I am trying to find out what the conversations were after September, 1964, with Mr. Allen concerning Mr. Brenner. A. I don't recall exactly.

"Q. Do you recall inexactly? A. What is that?

"Q. I say, do you recall inexactly? A. No.

(1104) "Q. Do you recall that there were any such conversations at all? A. I think there were; my best recollection is that there were, but I don't recall."

Armand Hammer, E.B.T.

Passing from line 18, page 661, to page 662, line 24, plaintiff reading:

"Q. The last time we were here, I asked you if you recalled the name of Khogia. You said you did not recall it; is that right? Do you remember that? A. Yes, I since have recalled the name.

"Q. Can you tell me who Mr. Khogia was? A. Mr. Khogia was introduced to me by Mr. Galic in Rome, and I believe Mr. Galic said that he was a brother-in-law of Mr. Kabazi.

"Mr. Galic wanted me to enter into an agreement with Khogia to be of assistance to us in getting concessions in Libya." * * * "I told Mr. Galic that I did not want to make any more agreements with anybody, that my experience with Mr.—with General deRovin, with Mr. Frottier, with the others, had been such that I was not—that I didn't want to make any more such agreements."

* * *

(1105) (Plaintiff reading:)

"Q. You said this meeting took place in Rome? A. Yes.

"Q. And did it take place in late June of 1965? A. I would say that's about the right time.

"Q. And it was after you had entered into the arrangement of cancellation with Mr. Ogbi on June 19, 1965; isn't that correct? A. I would say it is about that time.

"Q. And who was present besides you and Mr. Khogia and Mr. Galic? A. Nobody.

(1106) "Q. Do you know the name of the hotel at which you met Mr. Galic in Rome? A. Yes.

"Q. What was the name of that hotel? A. Hilton Hotel.

"Q. And Mr. Galic told you that Mr. Khogia was Mr. Kabazi's brother-in-law; is that correct? A. Yes. I was staying at that hotel at the time and I believe Mr. Galic brought Mr. Khogia up to my suite.

"Q. Didn't you have an appointment to meet Mr. Galic in Rome in late June, 1965? A. I am not sure.

"Q. And wasn't there some question raised shortly before that, that Mr. Khogia was ill or had been in a motorcycle accident or something along those lines? A. I don't recall.

"Q. Didn't you ask Mr. Lawler to check and find out what the effect of this accident would have on your application? A. I don't recall any such action.

"Q. Do you deny that you asked Mr. Lawlyer to check and see whether Mr. Khogia's motorcycle accident would have any effect upon Occidental's application? A. Yes." (1107) Defendant offers this, but without objection:

"Q. Had anyone suggested the employment of Mr. Khogia prior to this June meeting with Mr. Galic? A. Mr. Galic did.

"Q. When did he suggest that you employ Mr. Khogia prior to that date? A. I don't know. He suggested that I meet Mr. Khogia, and I don't remember when it was, but he suggested, perhaps at the June meeting that I met him in London.

"Q. Did you agree in London to meet Mr. Khogia in Rome at some later date? A. I said that I was going to be in Rome, and that if he was there, I would be glad to see him.

"Q. How many meetings did you have with Mr. Galic in Rome in June, 1965? A. I think this was the only meeting.

"Q. Was Mr. Khogia present at the entire meeting? A. I am not sure if he was there at the whole meeting, he may have—he may have left.

"Q. Did Mr. Galic suggest what type of agreement you should make with Mr. Khogia? A. I didn't give him a chance.

"Q. Did Mr. Galic say anything to indicate that Mr. Khogia had helped Mr. Galic in discussing Occidental's (1108) concessions with Mr. Kabazi? A. No."

• • •

"Q. Did Mr. Galic tell you that Mr. Khogia lived or spent a lot of time at Mr. Kabazi's house? A. No.

"Q. Did Mr. Galic in any way indicate to you that he had been utilizing the services of Mr. Khogia in aid of Occidental? A. No."

* * *

(1109) "Q. When did Occidental commence to drill in Libya? A. As soon as we could."

* * *

"Q. I realize that. But when was that? A. I would say a few months after the concession was awarded.

"Q. Would that place it around May, 1966? A. In the summer of 1966.

"Q. And by 'summer' could it mean anywhere from June 21st to September 21st? A. Yes.

"Q. Could we be a little more specific than that? A. We were first doing seismic and then we started doing drilling after we got the first results of our seismic.

"Q. Can we try to fix a date on that, Dr. Hammer, within a month? A. I don't know.

"Q. After the drilling commenced, I take it from time to time you received reports of the drilling? (1110) A. Yes.

"Q. And those were written and oral? A. Yes.

"Q. And eventually you struck oil? A. Yes.

"Q. When was the first oil strike, approximately? A. I think it was in November, 1966.

"Q. November, 1966? A. That would be my recollection."

Plaintiff continues reading:

"Q. Mr. Hammer, prior to July, 1965, did the government of Libya issue you any description or other detail concerning the concession areas? A. Yes.

"Q. In those descriptions did they give any statement as to what they thought the potential was of the concession areas? A. No.

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"Q. Could you give us a brief thumbnail sketch of what these descriptions consisted of? A. They showed the areas which had been relinquished by the existing concessionaires which were available to be redistributed among the new applicants.

"Q. Prior to July 17, 1965, did they issue any (1111) geological reports of these relinquished areas? A. No.

"Q. Did you prior to July, 1965, discuss with Allen & Company any information which you had received from the Libyan Government concerning the relinquished areas? A. No."

Passing from line 24 on page 671 to page 673, line 18, offered by defendant without objection:

"Q. At page 25 of the transcript of your examination I asked you when you commenced working on your July 29, 1965, proposal, and Mr. Nizer said, 'We will look that up and let you know.'

"Can you now tell us when you commenced working on the July 29, 1965, proposal? A. Yes, on or about June 1st."

Passing from line 24, page 673, to page 674, line 20, offered by defendant, without objection:

"Q. Did you tell Allen & Company on or about June 1, 1965, that you had started working on your formal proposal? A. Yes.

"Q. Will you tell me, Mr. Hammer, whether or not Mr. Galic ever signed Plaintiff's Exhibit 5, a letter agreement dated November 25, 1964?"

* * *

(1112) "A. I believe he did.

"Q. Have you been able to locate a copy actually signed by Mr. Galic? A. Apparently we have been unable to find it.

"Q. Isn't it a fact that Mr. Galic did not sign a copy of Plaintiff's Exhibit 5? A. My best recollection is that he did sign it."

* * *

(1113) "Q. Did Mr. Galic ever mention the name 'Mr. Slim' to you? A. Yes.

"Q. When did Mr. Galic mention Mr. Slim to you? A. At about the time we made the agreement with Mr. Frottier.

"Q. Was that in November, 1964? A. Yes.

"Q. In London? A. Yes.

"Q. What did Mr. Galic tell you about Mr. Slim on that occasion? A. He said that Mr. Slim and Mr. Frottier were associated together.

"Q. Is that all he told you? A. Yes.

"Q. Did he tell you Mr. Slim's first name? A. I think it was 'Mongy'—I am not sure.

"Q. Did he tell you who Mr. Slim was? A. He said that Mr. Slim, I believe, was a Tunisian.

"As I remember, he said I was—that he had spent a lot of time in Libya and he was highly regarded (1114) in Libya and that he had had a lot of experience in Libya. That is all I can recall.

"Q. Did he tell you that by employing Mr. Frottier you also were employing Mr. Slim? A. I think he said that Mr. Slim was an associate of Mr. Frottier's.

"Whether or not Mr. Slim was—exactly where he and Mr. Frottier fitted together, I don't know.

"He said he wanted the agreement made with Mr. Frottier and he indicated the form of the agreement, which you have a copy of.

"Q. That is all that Mr. Galic said about Mr. Slim to you? A. That is all I can recall at present.

"Q. Did he say that Mr. Slim could be helpful in obtaining concessions in Libya? A. He said that Mr. Slim had considerable experience in Libya and he believed he could be helpful in obtaining concessions in Libya, yes.

Armand Hammer, E.B.T.

"Q. Did he mention anything at all about perhaps by the use of Mr. Slim you could negotiate for concessions rather than bid for them? A. No.

"Q. And that the purpose of the original 45-day (1115) agreement was to give him an opportunity to negotiate? A. I do not recall that.

"Q. Is it your best recollection that Plaintiff's Exhibits 48 and 49 resulted from a cable from Mr. Galic to you requesting such extensions?"

The corresponding trial numbers of those exhibits—

Mr. Greenspoon: These are not in evidence at all yet. They may not even be offered. They are 68 and 74, Mr. Nizer. Do you object to them?

* * *

"A. No.

"Q. Did you report your discussion with Mr. Galic concerning Mr. Slim to anyone from Allen & Company? A. No."

* * *

(1116) "Q. At pages 71 and 72 you mentioned that you had received a report on General deRovin, and Mr. Nizer said that he would take a look for it.

"I now ask you, Mr. Hammer, if you have looked for and found a report on General deRovin other than the one submitted to you by Mr. Allen? A. Yes."

* * *

(1117) "Q. In any event from September 1, 1964 to July 17, 1965, are there any references in the Occidental minutes to the relationship between Occidental and Allen & Company?"

Now, Mr. Nizer said at the EBT, "The answer is no to that or I would produce it."

* * *

Armand Hammer, E.B.T.

(1121) "Q. Dr. Hammer, didn't Mr. Dunlap perform geological services for Occidental in Libya subsequent to September 1, 1964? A. No.

"Q. Did he perform services of geological or other nature for Occidental in Libya at any time? A. I don't believe so.

"Q. Mr. Nizer mentioned a gentleman by the name (1122) of Thompson. Does that ring a bell with you? A. Yes.

"Q. Did Mr. Thompson perform any geological services for Occidental in Libya subsequent to September 1, 1964? A. No.

"Q. Did he perform any such services prior to September 1, 1964? A. Yes.

"Q. Can you tell us when approximately? A. I think it was in 1963."

* * *

"Q. Did you discuss with Mr. Brenner the question of severing DeRovin, Allen & Company, Ogbi and Galic? A. I believe I did. I don't remember when.

"Q. Wouldn't that necessarily have been after you received a report on General DeRovin? A. Yes.

(1123) "Q. What was the subject discussed on that occasion? A. The substance of the report was the subject.

"Q. In other words, you discussed with Mr. Brenner the report that you had? A. Yes.

"Q. Did Mr. Brenner make any recommendation to you as to what you were to do? A. It was so obvious that I don't know whether I needed any recommendation.

"Q. Whether you needed one or not, did you ask him for a recommendation? A. No.

"Q. Did he give you a recommendation? A. No.

"Q. Did you ever tell Mr. Brenner that you were going to sever Allen & Company? A. I don't recall whether I told him at that time or not. It may have been in June that I told him I was going to sever with Ogbi.

Armand Hammer, E.B.T.

"Q. You told that to Mr. Brenner in June? A. I believe so.

"Q. Was that in London or in Paris? A. I believe I either saw him in Paris in June or I telephoned him from London to Paris.

(1124) "Q. Did Mr. Brenner suggest that you should not sever with Ogbi? A. No, he had no such suggestion.

"Q. What did Mr. Brenner say when you told him you were going to sever with Ogbi? A. In the light of the report on DeRovin I don't think Mr. Brenner, as I recall, had anything to say except that he concurred in my action."

Passing from Line 22, Page 693 to 695, top at Line 2, and reading by plaintiff.

"Q. Did you answer Plaintiff's Exhibit 56 for identification, Mr. Hammer?"

Mr. Greenspoon: That is dated incorrectly in the question, I believe. Isn't that part of Exhibit 28, Mr. Nizer? The question is reported wrong.

Mr. VanVoorhis: On Line 9, Page 694, it says 1964, but at Line 15 it says erroneously '65.

Mr. Greenspoon: It is part of P28, the letter.

"Q. Did you answer Plaintiff's Exhibit 56 (part of P28) Mr. Hammer? A. I don't recall answering it."

* * *

(1125) "Q. Did you write to Mr. Brenner or discuss Plaintiff's Exhibit 56 with Mr. Brenner? A. I don't recall.

* * *

(1127) "Q. Did you ask Mr. Brenner who the friends were that were referred to by Mr. Ogbi on the second page of Plaintiff's Exhibit 56 for identification? A. I assume these were business people who were interested

in going into the joint venture project mentioned on the first page, but I don't know who they were.

"Q. No, my question is, did you ask Mr. Brenner who they were or to find out who they were? A. No. The joint ventures were potash concessions.

"Q. In the last paragraph Mr. Ogbi said, 'The financial terms, conditions and related mechanics governing the areas of our main projects will be discussed during Mr. Brenner's next visit here.'

"Do you remember that? A. Yes."

* * *

"Q. In that connection did you give any instructions to Mr. Brenner as to what he was to say on those subjects during his next visit to Libya? (1128) A. No.

"Q. Did Mr. Brenner ask you for any instructions? A. No. He simply went there to listen.

"Q. Did Mr. Brenner ask you what financial terms he ought to talk about? A. No, I think—I think the next thing that took place was the meeting in London on September 17 through 18, at which the discussions were formalized in written documents.

"Q. Prior to the September 18th meeting in London, did Mr. Brenner visit Mr. Ogbi in Libya, to your knowledge? A. Yes.

"Q. And did Mr. Brenner report on his visit to Ogbi to you? A. Yes.

"Q. Did Mr. Brenner tell you who went with him to Libya? A. I don't recall."

Passing now to 697, Line 9, this is offered by defendant without objection.

"Q. Your best recollection is that Mr. Galic did not go to Libya until after the London conference? A. That is right."

* * *

(1129) "Q. What did Mr. Brenner tell you in his report concerning what had been said between him and Mr. Ogbi in Libya some time after August 14, 1964? A. Mr. Brenner told me Mr. Ogbi wanted some written arrangements and suggested a meeting in London which is the meeting that took place in September.

"Q. Are you telling me that the meeting that took place in London was arranged because of Mr. Ogbi's request for a written agreement? A. That was one of the things that Mr. Ogbi and Mr. Brenner had discussed.

"Q. The setting up of the meeting in London? A. Yes.

"Q. So that the meeting in London was not set up by you or by Mr. Galic, it was set up by Mr. Ogbi and Mr. Brenner? A. I think it was set up by everybody. It was felt that some meeting should take place to formalize the discussions which had been taking place."

• • •

"Q. What else did Mr. Brenner tell you about his meeting with Ogbi some time after August 14, 1964? (1130) A. He told me that—I believe he told me—I believe General DeRovin was with him on this trip. He was very much impressed by Mr. Ogbi and by his assurances that he could be helpful to us. He was particularly impressed by General DeRovin who told him a great deal about his own standing and connections, and he felt with Mr. Ogbi and General DeRovin we had two very good people there that could be of help to us.

"Q. This is what Mr. Brenner told you orally? A. Yes.

"Q. Did Mr. Brenner indicate in his report to you that he had met Mr. Galic by this time? A. Yes, he had met Mr. Galic in Paris.

"Q. Did he tell you when he had met Mr. Galic? A. I think he met Mr. Galic when he returned from Libya.

"Q. From the first trip to Libya? A. Yes.

"Q. But in other words, he met Mr. Galic some time between his first and second trips to Libya? A. I believe that is correct.

"Q. Did he tell you what his discussions were with Mr. Galic? A. All I can remember is that they wanted to meet (1131) me. They felt it was important for me to come over to Europe and sit down with Galic, DeRovin and Ogbi.

"Q. Did Mr. Brenner report to you on what impression he got of Mr. Galic? A. He didn't have a good impression of Mr. Galic because he said that when he went to Libya, Mr. Galic—he thought Mr. Galic would go along. But Mr. Galic said he was too busy. I believe it was—I believe he was at Deauville, or some gambling resort, and he didn't want apparently to make the trip, and he suggested that DeRovin go with Brenner instead.

"Q. Is that the first trip or the second trip? A. I don't know which trip it was. I know that it took place and left the impression with Mr. Brenner that Mr. Galic was not on the job.

"Q. Did you report to Allen & Company your discussions with Mr. Brenner regarding Ogbi, DeRovin and Galic? A. We had a lot of correspondence on that matter, letters went back and forth, and it culminated in the meeting in London.

"Q. What I am trying to find out is whether or not you reported to either of the Messrs. Allen what Brenner told you about Galic, DeRovin and Ogbi. (1132) A. I think there were—that in a general way the matter was discussed with Mr. Allen and myself.

"Q. Which Mr. Allen was that? A. Mr. Herbert Allen.

"Q. What did you tell Mr. Herbert Allen about what Mr. Brenner had told you? A. Mr. Herbert Allen had copies of some of the correspondence and we discussed the meeting in London. That is how I met Mr. Allen in London.

"Q. Is that all that you can recall about what you and Mr. Allen talked about? A. Yes."

Passing now from Line 6 on Page 701 to Page 702, Line 10, offered by defendant with some objection, which I will mention in a moment.

"Q. I don't know whether the question at Page 222 has been answered. Have you been able to determine the date on which you received the invitation to bid? A. Yes, I answered that on or about June 1st.

"Q. 1965? A. Yes."

* * *

(1133) "Q. At Page 224, you said, Mr. Hammer, that you would look for some documents and maps which had been supplied to you in connection with the various areas that would be subject to bidding.

"My question is, have you found any such thing?"

Then there is colloquy.

"Q. Suspending this for the moment, my next question is, did you disclose to Allen & Company the information set forth on those documents and perhaps at any time prior to July 17, 1965? A. No, sir."

* * *

(1134) "Q. Did you send to Mr. Galic the second letter, 'this from my personal files, assuring me 4 per cent of the gross'? A. No.

"Q. Did you send to Mr. Galic a letter setting forth 'the same conditions as addressed to Frottier' with Galic's name replacing his, which should be valid through March 31st? A. That was never sent. He wanted a third one—

"He wanted an agreement with another third party. In other words, he wanted a similar agreement with somebody whose name he wouldn't tell me, which was the same as the agreement we had originally with Ogbi and with

Frottier, and now he wanted it with somebody else, but he wouldn't even tell me this time who the third party was.

"Q. Wasn't it his suggestion that you put it in his name and then he could transfer it? (1135) A. Perhaps that is what he meant by that letter, but I wasn't about to do anything like that."

* * *

"Q. Did you take up the subject matter of Plaintiff's Exhibit 58 with anyone from Allen & Company? A. No."

Mr. Nizer: P-78.
Mr. Greenspoon: That is in evidence.
Mr. VanVoorhis: I believe that is P-78.
Mr. Greenspoon: That is correct.
The Court: Off the record.
(Discussion off the record.)

"Q. Did anyone from Allen & Company call and ask you to give to Mr. Galic the letters which he had mentioned in Plaintiff's Exhibit 58 for identification (P-78)? A. No.

"Q. Did you at any time prior to July 17, 1965 ascertain whether or not anyone from Allen & Company was familiar with the requests made by Mr. Galic of you in Plaintiff's Exhibit 58 for identification (P-78)? A. No."

* * *

"Q. Have you now read Plaintiff's Exhibit 59 for identification?"

(1136) Mr. Greenspoon: That, your Honor, is Plaintiff's Exhibit P-77 in evidence now.

* * *

"A. Yes.

"Q. Did you answer Mr. Galic's letter, Plaintiff's Exhibit 59 for identification (P-77) in writing? A. No.

"Q. Mr. Galie says in here:

"'The letter which I asked you to send me and which I must show Mr. Ogbi I have not received yet.'

"Do you know what letter that was to which Mr. Galie was referring? A. I think he wanted to terminate relations with Mr. Ogbi.

"Q. And had he mentioned this to you in an oral conversation? A. Yes.

"Q. And did he tell you why he wanted to terminate with Mr. Ogbi in that oral conversation? A. Well, I think he was influenced by the credit (1137) report which I had received by Mr. Ogbi.

"Q. He says he wants to show it to Mr. Ogbi.

"Is it your best recollection that this was a termination letter which he wanted to show Mr. Ogbi? A. His English was always not the best. So I interpreted it to mean that.

"Q. But the letter to which he was referring had been the subject of a prior telephone call? A. Yes.

"Q. And did you indicate in that prior telephone call that you would send a termination letter? A. I said I would take it under consideration.

"Q. Did you discuss at that time in connection with your consideration the termination of Mr. Ogbi with Mr. Allen? A. No.

"Q. Did you discuss it with anyone? A. No."

* * *

(1138) "Q. Did you at any time prior to July 17, 1965, or even thereafter, ask Allen & Company for 25 percent of these costs? A. No, sir.

"Q. As a matter of fact, you never discussed Mr. Lawler with Allen & Company at all, did you? A. No."

* * *

(1139) "Q. Yesterday you testified that you heard or that you learned that under the terms fixed by the Libyan Government the highest cash bidder might not get the concessions.

"Do you recall that? A. Yes.

"Q. What did you mean by the highest cash bidder? A. Well, it is possible that under the preferences where the Government asks what other compensation or offers will you make, that some oil firms offered cash bonuses, and in some cases these bonuses could be the measure to determine whether that company would be favored over another company.

"Q. The royalty rate was fixed in the decree, wasn't it? A. Yes.

"Q. The tax rates were fixed in the decree? A. Yes.

"Q. So that they would be part, I take it, of the cash cost of the concession.

(1140) "Well, in talking about what constitutes the cash cost, did the amount of royalties payable and the amount of taxes payable constitute part of the cash cost? A. They constituted the conditions under which the Government would grant concessions.

"Q. What I am trying to find out is, what are the outer limits of the cash costs, as you discussed them yesterday. What is constituted within that term? A. I have never heard that term used, cash costs.

"Q. That is the term you used yesterday, the cash cost of the concession. A. The cash bonuses is something that I had in mind, if a company offered a cash bonus in addition to the royalty and the taxes, that would or could be a consideration which would induce the government to consider that company as distinguished from another company—to consider that company favorably as distinguished from another company who did not offer a cash bonus or who offered a lesser cash bonus. Or other preferences.

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"Q. In that connection, was there any way of determining, to your knowledge, who the highest bidder was on the concessions which were awarded to Occidental? A. No.

(1141) "Q. Do you know whether any oil company was designated as the highest bidder? A. No, because the Government had to evaluate the offers, and they did not tell anyone how they evaluated the offers, and what value they put on the different attractions which the different companies offered.

"Q. At an earlier session, Dr. Hammer, you mentioned that you had fears about Galic and others possibly interfering with the award of the concessions, and that is why you held up from the time of the receipt of the deRovin letter until July.

"Do you recall that? A. Yes.

"Q. Did you include Allen & Company in those that you had fears about? A. Well, I was fearful that Allen & Company would inform Galic, and this is what I testified to previously."

* * *

(1142) "Q. I know, but that is not my question.

"Other than as previously testified to, did you fear that Allen & Company, itself, would directly do anything to interfere with getting the concessions? A. I didn't know what Allen might do, other than I (1143) feared that they would inform Galic and that Galic would block our —or attempt to block our getting a concession, which I understand later on from a letter which was produced here in the examination was the case.

"Q. Did you at that time consider what or how Galic would go about blocking the concession? A. No.

"Q. In other words, you didn't think through what he might be able to do in order to accomplish that objective; is that right? A. That's correct."

* * *

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"Q. In Plaintiff's Exhibit 39 for identification, (P-125) Dr. Hammer, the second paragraph, the last sentence, (1144) you make the following statement:

"'In regards to such registration the company thanks you for your capable direction and assistance.'

"When were the services referred to therein performed? A. Prior to the date of this letter.

"Q. Were they performed prior to July 17, 1965? A. I do not know.

"Q. But you did know at that time, did you not, that he, that is, Mr. Ogbi, had given capable direction and assistance in that connection? A. Yes.

"Q. How did you know that? A. I do not recall."

* * *

"Q. Did you discuss Exhibit 37 or its contents with Mr. Galic? A. No."

Mr. Nizer: Exhibit 37 is P-83.

"Q. Did you discuss with Mr. Galic or Mr. Ogbi the employment of Mr. Lawler as reflected in Plaintiff's Exhibit 37 (P-83)? A. No.

(1144-A) "Q. Did you discuss such employment with either of the Messrs. Allen? A. No.

"Q. I can assume, can I not, that you did not deliver a copy of Plaintiff's Exhibit 37 (P-83) to either Messrs. Galic or Ogbi or Herbert Allen or Charles Allen? A. That is correct."

* * *

Richard H. Vaughan, E.B.T.

(1181) Mr. VanVoorhis: I am reading from a deposition of RICHARD H. VAUGHAN, residing at 6611 Mt. Whitney Drive, Bakersfield, California.

* * *

"Q. Are you connected with Occidental Petroleum Company? A. I am.

"Q. In what capacity? A. I am vice-president and manager of international (1182) exploration.

"Q. How long have you held that vice-presidency and that managerial capacity? A. Well, I have a vice-presidence since maybe 1961 or 1962. I can't tell you the exact date. I have been managing international exploration for approximately one year and I have been prior to that time also been chief geologist of Occidental since the reorganization of the company in 1959.

"Q. Around when did you come with Occidental? A. At the time of the merger between Gene Reid Drilling and Occidental.

"Q. That was in 1959? A. It was.

"Q. And at that point, you were the chief geologist for Occidental, is that correct? A. That's right.

"Q. You say that you became manager of international exploration about a year ago, that would be around December 1967? A. Approximately. It may have been early in 1968. Our titles have been somewhat misnomers for some period of time, but we did restructure the oil and gas division about (1183) a year ago.

"Q. As manager of international exploration, what are your duties? A. Well, I have a staff of geologists and geophysicists, land and legal people who examine the prospective oil basins of the world. From these examinations we decide which areas Occidental should participate in and to what extent. We review farm-outs, proposals for joint ventures, and so on."

Mr. VanVoorhis: We tried to shorten this a little, Mr. Nizer and we eliminated some of the passages which we offered.

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Proceeding Line 5, Page 6:

"Q. In other words, at the time you became manager a new department, so to speak, was created into which all of these functions were channeled, is that correct? A. No, I performed these functions previously while my title was chief geologist.

"Q. Would it be a fair statement to say that your functions are mainly scientific as opposed to administrative or executive? A. That is basically correct."

Mr. VanVoorhis: Defendant now offers this, (1184) but without objection.

"Q. Are you a graduate of any university? A. Yes. I have a Bachelor's of Science from Stanford University, a Master's of Science in geology from Stanford University.

"I am a member of various professional geological societies, the American Association of Petroleum Geologists, the American Institute of Professional Geologists, of which I am a charter member.

"I am a member of the San Joaquin Geological Society, which is an affiliate of the American Association of Petroleum Geologists. I am past president of that society.

"Q. When did you graduate from Stanford? A. 1950.

"Q. Did you continue on and then get your Master's degree? A. In 1951.

"Q. Since then have you been engaged as a geologist in the oil business? A. For my first year and a half out of school, I was a geologist for American Smelting & Refining Company in the mineral industry, and then went back—that is, went into the oil business, and had been petroleum geologist (1185) continuously since that time.

"I grew up in the oil business. My family was in it and so I have really been in the oil industry all my life, you might say.

"Q. Are you familiar with a company called Occidental of Libya? A. I am.

"Q. Are you an officer or director of that corporation? A. Yes, I am a director and I am executive vice-president.

"Q. From what date have you been a director and an executive vice-president? A. I have been executive vice-president since February 1966. I was vice-president prior to that—vice-president and director prior to that time, and I don't know when I was made vice-president or director.

"Q. Do you know when Occidental of Libya was formed? A. Yes, it was formed—incorporated, I believe it was in January 1961.

"Q. Have you been connected with it in some capacity since January 1961? (1186) A. I was directly involved in getting Occidental interested in Libya in 1960. I was not aware that the subsidiary Occidental of Libya was formed in 1961, and it was not, in fact, until 1964 that I learned that I was an officer and director of the company.

"Q. Did you receive any salary from 1961 to 1964 as an officer of Occidental of Libya? A. No. My salary was paid by Occidental Petroleum Corporation.

"Q. Does that continue until today? A. Yes. During the period 1966 through approximately mid-year 1967, my salary was paid by Occidental of Libya, at which time I went back onto corporate payroll—Occidental Petroleum Corporation."

Mr. VanVoorhis: Now passing to Line 23 on Page 9.

Mr. Nizer: Are you skipping that for repetition reasons, so I will understand?

Mr. VanVoorhis: I think this is most repetitious.

Mr. Nizer: No, I just want to understand.

Mr. VanVoorhis: Page 9, Line 23.

"Q. Does Occidental of Libya have an office in Libya? (1187) A. Yes.

"Q. Where is that office located? A. The principal office is located in Tripoli, Libya, the Mitchell Cotts Building. We have an office in the Port of Zueitina, which is our marine terminal. We have an office in Beghazi, Libya.

"Q. Yes? A. And we have offices at our desert facilities.

"Q. Can you tell us when these offices were opened up in Libya? A. Yes. The first office was opened in March 1966.

"Q. Would that be in Tripoli? A. Yes.

"Q. I take it that the other offices, the field offices, the office at Benghazi— A. I believe the office at Benghazi was opened some time this year—1968. The Sueitina office was also opened in 1968. The desert offices were opened in 1967."

Mr. VanVoorhis: Then we are skipping to Page 11, Line 2: Plaintiff still reading. We have to read the last question on the previous page.

"Q. Prior to March 1966, did Occidental of Libya (1188) have any offices in Libya? A. We had a registered agent in Libya but we didn't really have an office.

"Q. And who was your registered agent prior to March 1966? A. Taher Ogbi and Ogbi Bros.

"Q. Where were they located? A. In Tripoli.

"Q. When did that registered office commence? A. It was probably in the spring of 1965. We had a—excuse me, if I might expand a little bit?

"Q. Go ahead. A. We had a prior Libyan representative who was attempting to register the company in—I guess his services may have commenced in 1962 or 1963. I was not directly involved in it at that time, but there was a gentleman by the name of Lenghi, and his offices were in Benghazi, Libya.

"Q. When Ogbi and Ogbi Bros. became the representatives in the spring of 1965, did the services of Lenghi terminate? A. Yes. They were terminated some time

previously. He was never—Lenghi was never an employee. He was (1189) retained just to register the company.

"Q. Was Lenghi a lawyer? A. No, he was just a Libyan businessman. I think he might have been an accountant of sorts."

Mr. VanVoorhis: Line 7, "I believe you told us earlier that some time in 1960 you began to urge Occidental to get interested in Libya and Libyan oil, do you recall that?

"A. That's correct."

Mr. VanVoorhis: Now to Line 14.

"Q. Had you been in Libya prior to that"—

Mr. Nizer: Excuse me. As you skip give me a chance to see, because it has been designated—

Mr. VanVoorhis: It is repetitious.

Mr. Nizer: I see. If you will indicate that, I will know you are not just by oversight not reading it.

Now you skip from where, sir?

Mr. VanVoorhis: It is only three lines to Line 14, from Line 10 to Line 14.

Mr. Nizer: All right.

"Q. Had you been in Libya prior to that date? A. No, however at this time Libya was achieving great notoriety in the petroleum press, trade journals, and (1190) what have you, as a result of several major discoveries that were made by various companies in Libya.

"Libya presented a very unique situation in the oil word then, because it was one of the few major producing, or potentially major producing countries in the world that was on the multiconcessionnaire system, that is, that they signed individual concession contracts with a great variety of independent and major companies, in contrast to the typical Middle Eastern system where one company or con-

sortium of companies would have an oil and gas concession on the entire country.

"So Libya presented the opportunity for individual companies to participate.

"Its major discoveries were made—Esso, Jersey Standard discovered the Zeiten field in 1959, and I recall that it was a discovery well tested at a rate of 17,500 barrels a day, which is an enormous well.

"This attracted notoriety throughout the petroleum world.

"Essentially, simultaneously, the oasis group of companies, Continental, Marathon and Amarata made one discovery after another on their Concession 32, and on their Concession 59.

(1191) "Then over a period of two to three years, they must have made not less than twelve significant major discoveries on these concessions.

"The other aspects of Libya that was unique and which attracted our attention was the fact that under the provisions of the Libyan petroleum law, the original concession areas had to relinquish 25 per cent of their acreage after five years, 25 per cent—another 25 per cent after the eighth year, and at the tenth year, they had to reduce their holdings to 25 per cent of the original area.

"When the industry started in Libya right after it was granted its independence by the United Nations in 1951 the companies immediately moved in to obtain concessions, in the first go-round of concession letting.

"They focused their attention to the Western Basin of Libya adjacent to the Algerian border because of the prior discoveries in Algeria.

"So for many years, five years to as many as eight years, depending on the company, that they focused their activity in the West, no significant discoveries in the West had been made to this date.

"It was not until 1958 when the first discovery (1192) was made in the Sirte Basin, which is today the principal producing basin of Libya.

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"The oasis group again on Concession 32, Zeiten by Esso on Concession 6, Mobil made discoveries on Concession 11 and Concession 12, and so suddenly the activity, the action was all focused in the Sirte Basin.

"By this time, the five-year relinquishments had come along, the eight-year, and thousands of square miles were relinquished that had not been properly explored.

"So for many years, the eyes of the oil industry were on Libya waiting for the next round of concession awards to participate in these unexplored or partially explored relinquished lands of the early concession areas.

"Q. Did there come a time when management of Occidental Petroleum Corporation indicated that they would be interested in going into Libya—that is, indicated to you? A. Indicated to me?

"Q. You were the gentleman who was urging— A. Yes.

"Q. Urging that they move in. A. Yes, and they created this Occidental of Libya in 1961. I had no further work on the Libyan project until (1193) the summer of 1964.

"Q. Would it be a fair statement to say that you as the chief geologist, which you were in 1960, 1961, 1962, 1963—is that correct—is that right? A. Correct.

"Q. Would it be a fair statement to say that you had no knowledge of any interest of Occidental Petroleum in Libya until the summer of 1964? A. I had no knowledge of any activities. I had knowledge of our interest, but no knowledge of our activities.

"Q. When was that interest conveyed to you? A. The knowledge of our activities during those years was conveyed to me in the summer of 1964.

"Q. Was there any conveyance to you prior to the summer of 1964 that Occidental Pertloume had any interest in going into Libya? A. Yes.

"Q. When was that conveyed to you? A. That was conveyed to me in 1960.

"Q. Who conveyed it to you at that time? A. Dr. Hammer.

"Q. What did he say to you? (1194) A. He said that it—that based on my recommendation to him of the merit of Libya, this certainly would appear to be a foreign area that Occidental should attempt to participate in when we were financially able to do so, and when the opportunity came.

"That opportunity, of course, could only come when the government of Libya called for bids.

"Q. Did you hear anything further from management of Dr. Hammer concerning Occidental's interest in Libya from that date in 1960 to the summer of 1964? A. I knew we had a continuing interest in Occidental.

"Q. Was there any discussion about it? A. Excuse me—in Libya—yes, because we were, again, just waiting for the Libyans to call for bids and the attention of the whole industry was focused on this.

"Q. Did there come a time when the government of Libya indicated that it was going to call for bids? A. There were rumors emanating out of Libya in the summer of 1964 that the government was going to call for bids. The government did not make a formal call at that time.

"Q. Is it a fair statement that at no time prior to the summer of 1964 were you in Libya? (1195) A. No."

Passing now to—

Mr. Nizer: I would like to read the balance of that.

Mr. Greenspoon: Was it offered?

Mr. Nizer: Yes, and it was consented to.

Mr. VanVoorhis: It was offered by plaintiff, but we were amending it because we thought we wanted to get on a little faster.

"Q. To your knowledge, did Occidental conduct any geological or engineering surveys of any part of Libya prior to the summer of 1964? A. Yes.

"Q. When were they conducted? A. The ones that I knew of were initiated in early 1961, I believe. I prepared a list at that time of the information that should be obtained, geological information and geophysical information that should be obtained. I submitted that list to Dr. Hammer and had no further direct work on the project until 1964.

"Q. Was that list prepared in writing? A. Yes.

"Q. Is that list extant, to your knowledge? (1196) A. I have not seen it since, I don't believe.

"Q. Do you know where that list would be filed under your filing system at Occidental? A. Well, it was an interoffice memo that was directed to the doctor in Los Angeles.

"I would presume that it was—that it would be in the Los Angeles files.

"Q. Do you know whether or not there was any follow-up of that list to obtain that data prior to the summer of 1964? A. As I later learned, the Doctor retained several geologists to work on that—or to obtain geological data pertinent to Libya."

Passing from Line 22 on Page 18 to Page 20, Line 12, plaintiff reading. By the way, this I should say is read as a deposition of an adverse party in the person of Mr. Vaughan.

"Q. Did you see any geological report concerning Libya prior to the summer of 1964? A. No.

"Q. Were you asked at any time prior to the summer of 1964 to evaluate any geological data concerning Libya for the purpose of selecting concession areas or bidding (1197) blocks? A. No.

"Q. Were you asked at any time prior to the summer of 1964 to evaluate any geological data concerning Libya for any purpose? A. I was of course evaluating geological data back in 1960 when I recommended Libya as a place that Occidental should be interested in.

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"Q. Was this geological data which you evaluated at that time merely reports of oil strikes and things of that nature which appeared in public records, such as newspapers, oil magazines? A. Not exclusively.

"Q. Did you have at that time in 1960 any surveys or reports from geologists who had actually surveyed Libya? A. No.

"Q. Can you tell us what other data you evaluated in 1960 besides the data contained in oil strikes in newspapers and oil magazines and the like? A. I had had oral conversations with geologists who had been familiar with Libya.

"Q. Anything else? A. And the various published information which, of course, included geological information.

(1198) "Q. And was there anything else which was evaluated at that time? A. Not of a geological nature.

"Q. Between that date in 1960 when you made that evaluation and the summer of 1964 were you asked to evaluate any geological or engineering data concerning Libya for any purpose? A. No.

"Q. I believe you said that in the summer of 1964 you became aware of Occidental's activities in connection with Libya, is that correct? A. Correct.

"Q. When in the summer of 1964 were you made so aware? A. I would—as I recall, it was probably in July.

"Q. Who made you aware at that time of Occidental's activities in connection with Libya? A. Dr. Hammer called me down to Los Angeles one day and said that we had done some work in the intervening years on Libya—we, the corporation—and that there were then rumors that the Libyan government might call the—what technical data we had in the Los Angeles files, to see if it was of any value.

"I reviewed the same, and found that it was of (1199) essentially no value.

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"As a result of that evaluation, I went to Libya in September 1964 for a trip that was of about a month's duration. The purpose of that trip was to evaluate not only the geology and geophysics of Libya, but the operating conditions, the drilling costs, the pipe costs, geophysical costs, seismic costs, transportation, and that included both land transportation, pipeline space, and so on, and decide whether or not to prepare a report to help the Doctor, and the Board decide whether Occidental should pursue Libyan concessions.

"Q. As the chief geologist, wouldn't any work that Occidental had done from 1960 to 1964 in connection with Libya have been done under your supervision or by your group of employees? A. The Libyan operation was one that Dr. Hammer was personally involved with, and he obviously was playing it very close to his vest, because neither I nor any of my associates in the geological division were aware that these other studies were being made."

Mr. VanVoorhis: This is offered by defendant but without objection.

"Q. Do you know whether they were being made by Occidental employees or by non-employees of Occidental? (1200) A. There were no Occidental geologists involved in it.

"Q. Are you telling me that these were independent contractors? A. Yes.

"Q. Is this work, to which you have referred, the work which had been done by these unnamed geologists which you said had been retained by Mr. Hammer? A. Yes.

"Q. Before you went to Libya, did you have any discussion with Mr. Hammer concerning Allen & Company? A. No.

"Q. Before you went to Libya did you have any discussion with Mr. Hammer concerning a man by the name of Galic? A. No.

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"Q. Before you went to Libya did you have any discussion with Mr. Hammer concerning a man by the name of Lawler? A. Yes.

"Q. What was the discussion between you and Mr. Hammer concerning Mr. Lawler? A. One of the geological maps in the Los Angeles (1201) file had been prepared by a geologist named Lawler, who resided in Rome.

"I told the doctor that of the work in the file, that that was the only map that seemed to have any value, and he was the only one who seemed to know what he was talking about, and therefore, that on this trip to Libya that I intended to stop through—to stop in Rome and contact Lawler.

"Q. Did Mr. Hammer tell you that Mr. Lawler had recently been in Libya? A. No.

"Q. Did Mr. Hammer mention a man by the name of General DeRovin to you? A. No.

"Q. Or a man by the name of Ogbi? A. No.

"Q. Did he mention in any conversation before you went to Libya the name of Herbert Allen? A. No."

We are passing then from Line 6 on Page 26 to Page 27, Line 8, plaintiff reading.

"Q. Now we have got it clear that some time in July 1964, Mr. Hammer brings you down to Los Angeles for (1202) purposes of discussing Libya, is that correct? A. Yes, correct."

Skipping to Line 16, it is of no consequence—skipping, pardon me, to Line 25.

Mr. Nizer: Excuse me, I think you might read that one question.

Mr. VanVoorhis: All right. 12.

Mr. Nizer: No, just 16.

"Q. As part of what you did in that connection you reviewed all of the technical and geological data that you had in your files? A. Correct."

Now Line 25, skipping colloquy.

"Q. When was it decided relative to the date when—"

This is offered by defendant without objection.

"Q. When was it decided relative to the date when you completed your technological review that you would go to Libya? A. I would imagine that that was probably some time in about the same time, around late July or early August.

"Q. Who decided that you should go to Libya? A. Dr. Hammer.

"Q. And in connection with your trip to Libya, did (1203) you employ any persons to accompany you? A. No.

"Q. Did you go alone to Libya? A. Yes.

"Q. And did you stop enroute and see Mr. Lawler? A. I met Lawler there on the way to Libya or the way out of Libya, and at this point I don't recall.

"Q. Was it a fact that he did not accompany you to Libya? A. He did not accompany me to Libya.

"Q. When did you arrive in Libya for the first time? A. It was mid-September 1964—approximately the 15th plus or minus.

"Q. And you stayed there until— A. Until about mid-October.

"Q. Did you employ anyone to assist you while you were in Libya? A. No.

"Q. Did you do whatever was done there on behalf of Occidental yourself? A. Yes.

"Q. I mean other than that you might have dictated a report to a hotel stenographer, I don't mean that. (1204) You understand that? A. Yes.

"Q. During the course of your month's trip did you meet any Libyan officials? A. Yes.

"Q. Can you tell us which ones you met during the month? A. I met most of the officials of the Ministry of Petroleum Affairs.

"Q. Can you tell us that name? A. That included Fuad Kabazi, who was Minister of Petroleum Affairs, and a number of members of his staff including Mr. Mohammed Geroushi, I think it is spelled.

"Q. Did you meet any other government officials? A. On that trip I met with the United States Ambassador to Libya, his economic attaché. They were extremely helpful to me, and suggested that I—that I of course see the Ministry, which I did—the Minister of Petroleum Affairs, which I did. They suggested that I see the Minister of Industry which I did.

"Q. What was his name? A. Abdul G-a-d-a-r B-a-d-r-i. The Minister of Agriculture.

(1205) "Q. And his name was? A. I don't remember.

"Q. Yes? A. And I met either the Minister of Planning or the Minister of Economy—I have forgotten now which one.

"Q. Do you remember his name? A. No, I don't.

"Q. Can you tell us the name of the U. S. Ambassador to Libya at that time? A. Allen Leightner.

"Q. What was the name of his economic attaché? A. I don't recall, but it is in that report."

Passing over to top of Page 31.

"Q. All of these ministers? A. All of these ministers, the Ambassador, his attache, that Occidental was interested in participating in the new concessions when and if they were called for, that furthermore, we would be interested in considering some utilizations for their gas that was then being flared from the existing oil fields.

"At this time we had embarked on a project to do this very thing in Saudi Arabia—that is, to convert flared and otherwise wasted gases into ammonia, that the wasted gas problem was something that was paramount in (1206) the mind of the Libyan government at this time, and the U.S. Embassy people thought that this would be very well

received by the Libyan government, and that I should make our suggestion known to them.

"This is the reason that I contacted these people. I gave them all a copy of the annual report of Occidental for the preceding year, and that was something I did—very time a new report came out, whether it was an annual report or quarterly report, whenever I went back to Libya I would make the rounds and distribute copies of these showing Occidental's position and growth and our activities in this ammonia gas fiel l.

"In fact, we even had the report translated into Arabic so that it could be read and would make more of an impact on the Libyan government.

"Q. Who arranged for you to meet— A. Yes. The economic attaché at American Embassy in Tripoli, his name was Mr. Phillip Haring.

"Q. Do you have the name of the Minister of Agriculture? A. It is Mohammed somebody for the Minister of Agriculture, but I don't recall his last name.

"Q. Who introduced you, if anyone, to Mr. Kabazi? A. I introduced myself to Mr. Kabazi.

(1207) "Q. You mean you just walked in off the street into his office? A. The telephone system is such in Tripoli that it frequently does not work, and therefore, to meet any of these people, it is really simpler just to go to their office. If they are not busy they will usually see you, and if they are busy they will give you time to come back for an appointment."

This is offered by defendant without objection.

"Q. During this month's stay, how often did you see Mr. Kabazi? A. I believe I only met Mr. Kabazi once in that trip.

"Q. And for how long a period of time? A. I have no recollection.

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"Q. And on that occasion did you give him a copy of Occidental's financial report for the preceding year? A. I probably did, because I gave these reports to most every Libyan that I talked to.

"Q. Did you do the translation of these reports from English to Arabic? A. Heavens, no.

"Q. Do you know who did? A. I have no idea.

(1208) "Q. When you spoke to Mr. Kabazi, in what language did you speak? A. English.

"Q. He did not require an interpreter? A. No.

"Q. Did you discuss with Mr. Kabazi when and if the Government would be prepared to accept offers for concessions? A. I discussed this with Mr. Kabazi on almost every—

"Q. Let us limit it to your September-October 1964 visit. A. Yes, I asked him that.

"Q. What did he tell you on that occasion? A. He said that he had made some attempt earlier that year to have concession applications called for, but he felt that it would not be until some time in 1965 when the bid actually went out.

"Q. Did he tell you that Occidental had already filed an informal proposal for concession? A. He was aware of that fact.

"Q. Did he tell you that? A. I don't recall whether he told me or whether I mentioned it to him.

"Q. What participation did you have in that—in the (1209) preparation of the 1963, or whenever it was, informal proposal? A. None, no participation.

"Q. Did you know if its existence before you went to Libya? A. Not until the summer of 1964 when I reviewed the files.

"Q. Was that one of the documents that you reviewed at the time? A. I saw it at that time.

"Q. Do you have a copy of that informal proposal with you here today? A. I don't—maybe—

"Q. Did this informal proposal mention any specific areas of Libya or blocks or concession numbers? A. I don't recall.

"Q. Why don't you look at the informal proposal, which should refresh your recollection—it should, should it not? A. (No response.)

"Q. Would that refresh your recollection? A. Yes.

"Q. Will you please look at the informal proposal (1210) and tell us whether or not that refreshes your recollection of areas— A. It couldn't mention specific blocks, because the blocks were not designated until approximately June 1, 1965.

"Q. I think my question was, have you refreshed your recollection now? A. No."

On top of Page 37.

"Q. What else did you say to Mr. Kabazi on that occasion and what else did he say to you? A. Mr. Kabazi said that the system of having multiple concessionaries had worked very well for Libya, and that this had stimulated an increased competition, and as a result, increased the level of exploratory activity and the resultant rate of discovery, and, therefore, that Libya would pursue essentially the same policy on the next go-round.

"Q. Anything else? A. He said that he would welcome independent companies, that one did not have to be an international major oil company in order to bid, and that the form of bidding, although not yet decided on, would to a degree be (1211) free form.

"Q. Did you ask him what that meant? A. Yes. That meant special projects would be given consideration by the Government and that cash bonuses alone would not be the determining factor.

"Q. What else was said in that conversation? A. That was probably about the extent of my initial conversation with Kabazi.

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"Q. But that was the only conversation you had on your first trip to Libya with Mr. Kabazi, is that correct? A. Yes."

* * *

(1212) Mr. Nizer: Yes. As your Honor will see from P54, Lawler says "I can only surmise the following."

And that is a surmise about Libya.

In the letter of November 2, 1964, P57, he says, "I have just—"

The Court: Where do you see "I can only surmise"?

Mr. Nizer: In the second paragraph in the middle.

The Court: I see it.

Mr. Nizer: And that I take it is the purpose of that.

Mr. Greenspoon: No, Mr. Nizer. Your Honor, the purpose of it is Mr. Vaughan's admission in the letter dated October 27, 1964, that he did not meet Kabazi on that trip.

Mr. VanVoorhis: That is the second paragraph, your Honor, on Exhibit 56.

(1213) Mr. Nizer: Mr. Vaughan's admission?

Mr. Greenspoon: Mr. Vaughan's admission in 56 where he said "In any event, I would be most interested in the result of your meeting with the Minister; the nature of his inquiries as to Occidental's activities, and the source of his—" the Minister's—"information that Occidental, in my person, was present in Libya earlier this month."

The Court: I am a little confused about what you said.

(Record read.)

The Court: That is the second paragraph?

Mr. Greenspoon: That's right, the second paragraph of the letter of October 27.

The Court: Where is the statement?

Mr. Greenspoon: October 27, Exhibit 56, the second paragraph, "In any event I would be most interested in the results of your meeting with the Minister" and he is referring to Kabazi, "the nature of his inquiries as to Occidental's activities, and the source of his information that Occidental, in my person, was present in Libya earlier this month."

Now, had he been in Libya, and met Kabazi earlier that month, he wouldn't be asking for the source.

(1214) The Court: That isn't an admission in the manner in which you stated it. That is why I asked the question. What you are suggesting is that this would permit an inference that his statement that he did meet with the Minister was not fact.

Mr. Greenspoon: Yes, sir.

The Court: But he has made no admission such as you put on the record a moment ago.

Mr. Greenspoon: No direct admission, no, sir.

The Court: I think the lawyers ought to state their position.

Mr. VanVoorhis: May I state—

The Court: You may add to it.

Mr. VanVoorhis: Is it all right if I remain seated?

The Court: Surely.

Mr. VanVoorhis: In the letter of October 28—23rd, rather, 1964, from Lawler to Hammer, he says quite apparently in reference to Vaughan that he can only surmise the following: "During the recent trip to Libya of your representatives, the Minister of Petroleum was not contacted. There are no secrets in Arab countries. The Minister has heard of the visit and is asking that I come to Libya (1215) to explain."

Now, in answer to that, Mr. Vaughan said that he would be most interested in learning the source of his

information that Occidental, in my person, was present in Libya earlier this month.

Of course, if Vaughan, as he testified, had met and talked to Kabazi, and all these details he had said, he would have known that he was there by meeting him and talking with him, whereas this letter from Vaughan says that he had been most interested in knowing how he knew "I was there."

Well, if he had met and talked to him in person, obviously that would have been the way he would have known he was there.

Mr. Nizer: May I be heard on that, please, your Honor.

The Court: Well, I have heard two lawyers for the plaintiff. I should hear somebody from the defendant, if defendant wants to answer, surely.

Mr. Nizer: P54, counsel just referred to, starts off, "I can only surmise the following," and he puts the surmise.

In P57, Lawler corrects his impression that (1216) he was called there because no one from Occidental had been there by stating in the second paragraph, "I have just returned to Rome from Tripoli, and am happy to report that Dr. Kabazi's request that I come to Tripoli had nothing to do with Occidental or any other oil company.

"During our discussions Occidental's name was not mentioned nor where those of any of its employees or associates."

The incredulity expressed by Lawler in P56 is understandable since he had had these contacts with Kabazi and given him, as he testified under oath, the financial statements and discussed the coming of bids and so on, he has expressed in that paragraph which counsel seeks to interpret as negative when

as a matter of fact it shows that he couldn't even understand why that was challenged.

Now P58, which your Honor ought to look at, is from Lawler to Vaughan.

The Court: I don't have P58.

Mr. Nizer: Would you be good enough to give his Honor that.

Mr. Greenspoon: That is a different one, okay.

I offer this one too.

Mr. Nizer: I misspoke myself. When I talked (1217) of P56, that was Vaughan speaking to Lawler, in the letter of October 27.

Now, in P58, the second paragraph shows that the interpretation by Judge VanVoorhis is obviously not correct. He says, "I believe the enclosed letter to Dr. Hammer answers your questions." He writes Lawler to Vaughan "about our meetings with Dr. Kabazi. The only way in which I might have connected them with Occidental was that once when we left his office rather abruptly the door knob almost hit Mohammed Geroushi in the ear." So he is apologizing for having given the impression that perhaps Vaughan wasn't there.

The whole thing here is an enormous exaggeration of an alleged contradiction with the letters themselves spelling out the consistency of, or made Lawler who thought he was being called to talk about Occidental, and that therefore Vaughan hadn't been there when it turned out that wasn't so at all.

Now, none of these letters, your Honor, are admissible anyhow. They are Lawler letters. They are not relevant to the issue in this case, but since they have been raised I wanted your Honor to have them before you to explain why this distorted inference is not sound.

(1218) The Court: Which is the—

Mr. VanVoorhis: Does your Honor have P58?

The Court: That is what I am looking for.

(Pause)

The Court: P58 is the enclosed letter to Dr. Hammer, that the one of October—

Mr. VanVoorhis: That is P57. We say that P58 tends to confirm the previous statements.

The Court: Well, I raise the question, Mr. Greenspoon and Judge VanVoorhis, because I certainly would not read the second paragraph as any direct admission. It was stated on the record, by Mr. Vaughan that he had not conferred with the petroleum ministry. An argument may be made on it as another matter entirely. I must say I certainly have come to no conclusion because the question, Mr. Greenspoon—it did seem to me that another instance might be drawn from that second paragraph, that he is incredulous that any question was raised about it and where did he get this information. You will forgive me for being so direct about it, Mr. Greenspoon, but the minute you said there was an admission I was troubled by the second paragraph when I read it.

Mr. Greenspoon: I should have said the inference was admissible. I am sorry.

(1219) Mr. VanVoorhis: We would add, your Honor, the inference is inevitable.

The Court: That I don't agree with. You may argue that this is the inference based on all the facts and I say I am coming to no judgment. It seems to me the man was taken aback completely and saying, "Where did you get that information?"

Mr. VanVoorhis: Are these received, your Honor, these exhibits?

The Court: I will take them, particularly in light of the discussion and I don't think there ought to be much objection about it, Mr. Nizer. If you object, I will consider the objection.

Mr. Nizer: I would like to object because the entire attempt to bring in Lawler's letters here on a prior period, your Honor, but I won't object to your Honor taking them for such consideration as you wish to give them.

The Court: They will be received.

(Plaintiff's Exhibits P54, P56, P57 and P58 received in evidence.)

The Court: Incidentally, if I read that correctly, about almost knocking a man's ear off, or something like that, that suggests there was somebody listening in at the door, there was eavesdropping. Isn't that the inference to be (1220) drawn from that? What is the inference you draw?

Mr. Greenspoon: Which one?

The Court: "The only way which I might have connected them with Occidental was that once when we left his office rather abruptly the doorknob almost hit Mohammed Garushi in the ear."

To me, if I may draw the inference at this moment, is that somebody was eavesdropping at the door while a conference was going on inside and the door opened suddenly and that was it. You tell me what other inference can be drawn from that?

* * *

(1221) The Court: I had asked the question as to whether or not the question that started at page 37, but there was no lead in, related to Vaughan's earlier testimony that he was there in September and October, 1964. Is that right.

Mr. VanVoorhis: Yes.

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Mr. Nizer: Reading line 2, page 38.
Mr. Greenspoon: Line 3.
Mr. VanVoorhis: "A. Yes.

"Q. You say you spoke also to the Minister of Industry? A. Yes, and I believe it was probably on that trip, although it might have been on the immediately subsequent trip.

"Q. How did you meet the Minister of Industry? (1222) A. It was suggested by the American Embassy that I see the Minister of Industry.

"Q. Did they arrange an appointment? A. As I recall, they did.

"Q. Did you then go down to see the Minister of Industry? A. I did.

"Q. What was that conversation? A. I told the Minister about our project, the ammonia project in Saudi Arabia, and I inquired as to whether in his opinion that would be of interest to the Libyan Government.

"The conversation was very vague because we spoke through his translator—the gentleman spoke no English.

"Q. Did he indicate any interest in the project? A. Yes, he did. He reiterated that the use of gas would be a prime consideration in the eyes of the Libyan government."

Plaintiff continuing to read:

"Q. I think you mentioned the Minister of Agriculture. A. I did.

"Q. And how did you go about meeting him? A. This was probably through the Embassy. I recall (1223) his name now was Mohammed Bey Derna.

"Q. Did he speak English? A. Very little.

"Q. Did you use an interpreter in talking to him? A. I had a young associate who had had some agricultural training in the United States."

Mr. Nizer: Excuse me. The word instead of "I" has been changed to "he".

The Court: It is, in the copy that I have in front of me.

Mr. Vaughan: "A. He had a young associate who had had some agricultural training in the United States.

"Q. What did you discuss with the Minister of Agriculture? A. I mentioned that Occidental had recently become very active in the world fertilizer business, that we had a great awareness of the value of agriculture in developing countries, and how important fertilizer was.

"They mentioned that the Libyan farmers were, in effect, centuries behind times, that they were still plowing with forked sticks, that the use of fertilizer in Libya was practically nil and that this one thing could probably do more to improve the agricultural standards of the country than anything else.

(1224) "This provided an excellent entry for Occidental into Libya, because we had just previously acquired the International Ore and Fertilizer Company, who marketed fertilizers on a worldwide basis.

"Q. Is that what you told the Minister? A. Yes.

"Q. What did he say to all that? A. He said, in effect, that anything that would stimulate agriculture in Libya would be good for the country.

"Q. Was there any mention in that conversation of whether or not Libya imported most of its foodstuffs? A. I was aware that Libya was importing an increasing percentage of their foodstuffs. I don't recall whether it was discussed in that meeting or not.

"Q. What else was said by you, by the Minister or by his assistant in that conversation? A. I have no specific recollection.

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"Q. In connection with your testimony today, did you review any reports which you made concerning your trip to Libya? A. Yes. I read the only report that I wrote during this period on the Libyan operation.

"Q. Did you submit a report to Mr. Hammer concerning your trip to Libya from September—from mid-September, 1964, (1225) to about mid-October, 1964? A. I did.

"Q. Do you have a copy of that report with you? A. Yes.

"Q. Did you receive that report in connection with your testimony today? A. I glanced through it."

* * *

(1230) "Q. Did you dictate this in Bakersfield? A. I did."

The Court: This was with reference to Plaintiff's Exhibit 54 and Defendant's Exhibit 58, is that right?

Mr. Nizer: That is correct. 58.

* * *

"Q. In addition to meeting these various gentlemen whom you have previously discussed, did you meet Mr. Ogbi at that time? A. No.

"Q. Did you meet Mr. Galic? A. No.

"Q. Did you meet General de Rovin? A. No.

"Q. Did you meet anyone else who was an officer or an agent of the Libyan government at that time? (1231) A. To the best of my recollection, no.

"Q. How many copies of your report were made, do you know? A. There was a limited number.

"Q. One hundred? A. No. Probably not over ten.

"Q. Do you know the distribution of the report? A. No, I don't.

"Q. Certainly Mr. Hammer got one? A. Yes. Several copies went to Dr. Hammer, to the Los Angeles office.

"Q. Certainly you retained one? A. I retained one.

"Q. Yes? A. The other copies were all retained in Bakersfield.

"Q. Do you know whether a copy was sent to Mr. Lawler? A. I am not sure one was not sent to Mr. Lawler."

Plaintiff reading:

"Q. Did you send a copy of that to Allen & Company—that is, Exhibit 73 (204)? A. Not to my knowledge.

"Q. Did Mr. Hammer ever tell you that he had sent a copy of Exhibit 73 (204) to Allen & Company? (1232) A. He did not.

"Q. And you didn't send one? A. I did not.

"Q. While you were in Libya did you acquire any maps, geographical maps, which were on sale by the Oil Ministry or otherwise? A. Not geographical maps, but concession maps.

"Q. How many did you acquire at this time? A. Basically one.

"Q. Were they publicly on sale? A. Yes.

"Q. At the Oil Ministry? A. Yes."

Now, we don't propose to read 24 through 11, unless Mr. Nizer wants us to just to abbreviate it.

Mr. Nizer: It might show public information on the subject. Do you mind a few questions?

Mr. VanVoorhis: No, I don't mind.

"Q. Is a copy of that map which you acquired attached to Exhibit 73 (P-204)? A. No.

"Q. Do you know where the map is which you acquired? A. I don't know if we even have it—if it is in our files to this time.

(1233) "But the concession map showed at that time—what the concession map showed at that time was the then valid and outstanding concessions.

"That map at that time did not show the blocks that were subsequently put up for bid the following year.

"Q. Did it show those areas which had been surrendered by the prior concessionaires? A. It did.

"Q. Do I understand you to say that the old concessionaires had to relinquish up to 75 per cent of their total acreage in ten years? A. Correct.

"Q. And some of these concessions went back at least ten years prior to 1964; is that correct? A. Correct.

"Q. So that they had already relinquished their full three-quarters? A. Yes.

"However, some of the concessions were not awarded until 1955, 1956, 1957, so that there were—so that there have been more or less a continuing series of relinquishments.

"The principal relinquishments, however, were effected by December 1964, and this was probably a (1234) consideration for not calling for bids until 1965.

"Q. Did this surrender of concessions or parts thereof apply if oil had been struck on a concession? A. Yes.

"Q. In other words, it did not matter how much exploitation had been undergone, you still had to surrender? A. That is correct."

Defendant offering but without objection:

"Q. Did you do any field work at all while you were in Libya from September to October 1964? A. Do you mean actual field mapping?

"Q. Yes. A. No.

"Q. Did you go out and look at the concession? A. No. There was no point in doing this, because the Sirte Basis is a flat basis that is just covered by sand.

"I mean it is like this table top; you can see for one hundred miles.

"Q. Did you observe any electric logs maintained by any company which had previously drilled the Sirte Basin? A. I did.

"Q. Whose electric logs did you observe at that time? (1235) "A. Well, on that trip to Libya in September and October 1964, I visited with many of the principal operators in Libya, Standard Oil of New Jersey, Amoseas, which is Standard of California, and Texaco, Mobil Oil, the Oasis group, which is composed of Amerada, Marathon and Continental, British Petroleum.

"Q. Yes? A. Phillips and I believe Pan American.

"Q. Did each of them show you their electric logs on all of their existing wells? A. No.

"Q. Dry or wet, as the case may be? A. No.

"Q. Did any of them show you their electric logs? A. Yes.

"Q. Which one? A. I saw a number of logs. The British Petroleum field and a few selected logs from some Oasis fields, and the Jersey fields.

"Q. Did any of the oil companies show you any of their geological surveys or their reports from drilling other than electric logs, of course? A. Yes.

"Q. Which companies did that? (1236) A. British Petroleum.

"Q. Yes. A. And I saw another field map, and I don't recall which company it was, now.

"Q. Did any of them show you reports of cores, drilling cores? A. I don't recall any.

"Q. With reference to the concessions which Occidental ultimately obtained, can you tell us where the British Petroleum concessions were, and the Oasis concessions were as to which you saw the electric logs? A. Well, the British Petroleum concessions were outside of what became our area of specific interest.

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"As a result of the September-October trip and a subsequent trip that I made in February 1965, I selected an area within the Sirte Basin which I felt we should concentrate our activities on.

"The finite limits of that area are spelled out in a geological services contract that I made with Mr. Lawler, and which is an exhibit in this case."

Mr. Greenspoon: That is the contract, your Honor, I believe of February 20, 1965, Exhibit P-83.

The Court: Is that the engagement of Lawler's services?

(1237) Mr. Greenspoon: Yes, your Honor.

P-83 is correct.

The Court: All right.

"The Witness: Our concession areas, the areas we bid on turned out to be in this specific area which I selected to focus our geological studies on.

"I felt that the basis was too large for us to attempt a thorough geological understanding in the time left before the bids would be called for, and, therefore, based on my experience I selected the area that I thought was most promising, and we focused our studies in that area.

"The British petroleum concessions—British Petroleum's principal field was outside this area. However, some of their concessions that they relinquished were within this area.

"Q. How far away from this area was the British Petroleum producing field? A. I would say in the order of 150 miles.

"Q. Was the Oasis producing field far from the area in which you decided to concentrate? A. Oasis at this point in time had perhaps twelve fields capable of commercial production, and several of their fields, including their largest field, was within the area that I elected to concentrate.

(1238) "Q. Did you see the electric logs from that principal producing field within the area of your concentration? A. As I recall, I was shown a typical electric log from one well in that field.

"At that time there were approximately one hundred wells in the field, and they certainly were not going to show me all of their information, nor would I have been interested in all of their information.

"Q. Incidentally, did Mr. Kabazi indicate to you that the present concessionaries would not be permitted to bid for the new concession? A. No.

"Q. Did Mr. Kabazi indicate to you that independents would be preferred over majors in the bidding? A. Mr. Kabazi suggested that independents would be given the opportunity to bid along with majors, but he did not suggest that they would be shown preference.

"Q. What else did you do during this month that you spent in Libya other than you have previously testified to? A. This was basically a scouting trip, as I said to begin with, and this meant that I was supposed to ascertain as much information as possible of a geological and operating nature to decide whether Occidental should or should not (1239) participate further in Libya.

"This meant that I was to learn of operating conditions and operating costs, and this would mean the cost of drilling wells, contractors' charges, the type of drilling problems that they experinced, the type of drilling muds that were used, the type of electrical evaluation services that were successful, in the field of geophysics which type of geophysics was most applicable—that is, gravity, magnetics or seismic, and of the seismic, which of the many available techniques were proving to be most successful.

"I had many conversations with the various drilling contractors, seismic contractors, chemical companies, mud companies, electrical logging companies, and it was really

from the service contractors that I obtained most of my technical information."

Plaintiff continuing to read:

"Q. Had this type of information which you were ascertaining, or were trying to ascertain in Libya, ever been conveyed to Occidental before? A. No.

"Q. In other words, what you were doing was not duplicative of what had previously been in the files? A. That is correct.

(1240) "Q. And I believe you told us that you did not consider the material in your files when you examined it in 1964, to be of any value. A. With the exception of—

"Q. Of the Lawler— A. —of one Lawler map."

Mr. Nizer: There is a word put in, map, "set".

"A. —of one Lawler map set."

Mr. Greenspoon: He added to his answer "set".

"Q. Did you consider that the information which you gleaned in the September-October 1964 period was of value in evaluating the potential oil concessions of Libya in which you were interested? A. Certainly it was of value. It was not conclusive, but it was of value.

"Q. Did you draw any conclusion from what you learned in Libya in the September-October 1964 period? A. Yes.

"Q. What was your conclusion? A. It was my conclusion that Occidental should participate in Libya, that the economics were attractive, that the exploration risks were low, that the chances of finding big oil were very good, that the chances of an independent company participating in the bidding and being (1241) successful were good, that multimillion dollar cash bonuses would not be required, that special projects would be attractive, that there was a lot of attractive land that had not been thoroughly or properly evaluated, and that we should focus on a specific area and really get in gear.

"Q. When you left Libya in October 1964, did you return to the United States? A. Yes.

"Q. Was this the time when you think you saw Mr. Lawler? A. I saw Lawler, as I say, I think on the way into Libya or on the way out and I don't recall which.

"Q. What did you discuss with Lawler on that occasion when you met with him, and I believe it was in Rome—is that correct? A. Correct.

"Q. What did you say in that discussion? A. As I recall, at that time I asked him to do a--to make a preliminary study, the nature of which I have now forgotten, but it just involved a few days of his time, and I think the charge for it was several thousand dollars.

"Q. Did this require Mr. Lawler to go to Libya? A. I don't believe so. Mr. Lawler had very extensive Libyan files in Rome.

(1242) "Q. Did Mr. Lawler tell you that he had been to Libya just prior to September 1964, with General de Rovin? A. No.

"Q. Did Mr. Lawler mention General de Rovin to you? A. Not to my recollection.

"Q. Did he mention Mr. Galic to you? A. He did not.

"Q. Did he mention Mr. Ogbi to you? A. No.

"Q. Did Mr. Lawler mention to you any specific areas which he recommended you concentrate on? A. In my geological discussions with Lawler, I, of course, pointed out to him the specific areas that I thought were of interest, and this naturally resulted in conversation, and so to this degree I learned of his—some of his geological thoughts and some of the values he put on different areas.

"Q. Did Mr. Lawler in general agree with your conclusions as to what areas you should concentrate on? A. I didn't ever ask Mr. Lawler if he agreed with my conclusions. I did not agree with all of his conclusions.

"Mr. Lawler was subsequently retained to do some background geological and geophysical work, and we never (1243) asked him for conclusions.

"We made the conclusions ourselves based on our own data and the data that he complied for us.

"Q. Let me put it this way:

"Did Mr. Lawler make any recommendation of what areas you should concentrate in? A. I didn't ask Mr. Lawler for any recommendations at that time.

"Q. I know, but did he make them anyway? A. I don't believe so."

This is read for defendant but without objection, line 25, page 57:

"Q. By the way, is the area of concentration as described in the agreement with Mr. Lawler larger or smaller than the actual concessions are received by Occidental? A. Larger.

"Q. Considerably larger, five, ten times as large? A. Probably in that range.

"Q. Did you say that on this trip you employed Mr. Lawler to prepare some sort of report for you? A. As I recall, I did, and it was not a major report, but I think that he was doing some small project for me. It was not until February 1965 that I actually put him under contract for about a two-month period, and he prepared (1244) most of the data for us that he supplied.

"Q. Was this report prepared by Mr. Lawler before you put him under contract in February 1965? A. I think, to the best of my recollection, that probably the first work that I had Lawler do was provide us with a copy of a map, that he had a regional map that perhaps covered a good portion of the Sirte Basin, and that this was, you might say, a commercial map that he had prepared and sold to a number of different clients, and that may have been what I acquired on the first trip there.

"Q. Did he in fact prepare this map for you? A. I am dredging this up out of my memory now, but that was possibly what he prepared at that time.

"Q. Do you know where this map is today? A. If we still have it, it would probably be in our Libyan geological files in Tripoli."

* * *

"Q. Did you supply the Allen Company with a copy of that map? A. I certainly did not."

* * *

(1245) "Q. Did you talk to Dr. Hammer about your September-October 1964 trip to Libya when you returned to California? A. Some time between mid-October and whenever in November this red covered report was finished.

"Q. Did you speak to him about your trip before you completed Exhibit 73 (204)? A. I must have.

"Q. Did Dr. Hammer tell you about a trip that he had taken to London in September 1964? A. No.

"Q. Did Dr. Hammer during this period of time mention Allen & Company? A. No.

"Q. In connection with Libya, of course. A. No.

(1246) "Q. Did he mention Galic or Ogbi to you? A. What is the time?

"Q. The time limit is between the time you returned from Libya in October 1964 to the date when you finished Exhibit 73 (204) some time in November 1964. A. I don't recall when I first heard about Ogbi and Galic, de Rovin.

"It was some time after September and prior to my subsequent trip in February of 1965.

"Q. Did you have any correspondence with Lawler during this period, let us say, July 1964 to February 1965? A. I doubt it.

"Q. Have you looked to see whether you have such correspondence or not? A. Again, all our preconcession files were turned over to counsel.

"Q. Do you have any such correspondnece? A. I doubt it.

"Q. Did you say your next trip was to Libya in February 1965? A. I believe that's correct, yes.

"Q. And from October 15, let us say, 1964 to February 1965, you were not in Libya; is that correct? (1247) A. I don't believe so.

"Q. Other than preparing Exhibit 73 (204), did you during that period of time do any work in connection with Libya? A. Yes. We were studying the geological information that we had during that time.

"Q. Other than that did you do any work? A. No.

"Q. Did you hear the name of Allen & Company in connection with Libya during that period of time from October 1964 to February 1965? A. I don't recall for sure.

"Q. Was there any mention to you by Mr. Hammer concerning correspondence that he had with Allen in relation to oil concessions in Libya? A. No.

"Q. But you believe you did hear the name of Galic during that period of time? A. Yes.

"Q. And how did you hear that name, from whom? A. Probably from Dr. Hammer. Before I went back to Libya in February 1965, which again was for geological purposes, he told me that a fellow in our fertilizer division, in the Paris office, by the name of Brenner, was (1248) working on the Libyan operation, and that he was working with de Rovin and Galic and Ogbi, and if I could be of any assistance to Brenner, to do so.

"Q. Did Dr. Hammer tell you that Brenner had been in Libya in the summer of 1964 with General de Rovin? A. No. Brenner told me that he had been, but the Doctor did not.

"Q. When did you see Brenner? A. It was in the February trip when I was in Libya.

"Q. Was there any mention made of Ogbi prior to your February 1965 trip, by Dr. Hammer or anyone else? A. Just in the same capacity that I related here.

"Q. You mean no other than that? A. That's all.

"Q. Was there any reference to Allen & Company in connection with Galic or de Rovin or Ogbi? A. I don't recall that.

"Q. Did you see any correspondence between Allen & Company and Occidental in connection with Libyan concessions before you went to Libya in February 1965? A. No.

"Q. Did you draft any letters for purposes of their being sent to Allen & Company by Occidental prior to February 1965? (1249) A. No, I don't recall any.

"Q. Did you have any discussion with anyone in Occidental prior to going to Libya in February 1965 as to how Occidental would finance any Libyan venture it went into? A. No."

Defendant offering but without objection:

"Q. In your report, just generally, was there any discussion of the amount of moneys required? A. Yes, to the extent how much seismic work cost, and how much drilling cost, and so on.

"Q. But I take it that you made no overall estimate? A. No.

"Q. Of what the cost might be? A. No.

"Q. Is that right? A. Correct.

"Q. And it is your best recollection that when you went to Libya in February 1965, you had not discussed with anyone the question of financing a Libyan venture? A. That's correct.

"Q. Did Occidental have a financial vice president at that time? (1250) A. Yes. I believe that at that time we did have a financial vice president.

"Q. Do you recall his name? A. Dorman Commons.

"Q. Did you have any discussion with Mr. Commons before you went to Libya in February 1965? A. No.

"Q. Did Occidental have a treasurer or controller at that time? A. Probably.

"Q. Do you recall who it was? A. Our present controller is Mr. Charles Lee, and it may have been just about this time that he joined the company.

"Q. We will put it this way:

"Did you have any discussion with a treasurer or controller or any financial man with Occidental before you went to Libya in February 1965? A. No.

"Q. Do I understand you correctly that the purpose of your trip in February 1965 was to obtain additional technical and scientific data? A. That's correct.

"Q. I take it that your prior studies convinced (1251) you that you required additional information; is that correct? A. Correct.

"Q. Did you go to Libya with anyone in February 1965? A. Mr. Blom—Dr. C. James Blom may have accompanied me on that trip.

"Q. Anyone else? A. No.

"Q. Did Dr. Galic accompany you on that trip? A. Mr. Galic was in Libya at the same time I was, but I don't believe he accompanied me on the trip.

"Q. Did Mr. Blom have any dealings with Mr. Lawler before February 1965? A. No.

"Q. Was Mr. Blom under your general supervision? A. Yes.

"Q. He reported to you? A. Yes, he is a geologist.

"Q. By the way, did you report directly to Mr. Hammer in those days? A. Yes, with regard to Libya.

"Q. When you got to Libya, did you meet with Mr. Galic? (1252) A. I met Mr. Galic, yes.

"Q. And who was with Mr. Galic when you met him? A. That was the trip on which I met Galic and de Rovin and Ogbi, and Brenner.

"Q. Did you meet them all at the same time, together, that is? A. I don't recall.

"Q. Did you have a discussion with Galic, de Rovin, Ogbi or Lawler in the presence of any of the others?

A. The only—my only contact with that group was essentially that we were there at the same time.

"I remember that we had one horrible meal which we were all in attendance at—one of the hotels—it was one of the hotels, and I think that every language was being spoken except English, and I was feeling very much out of it.

"Q. Did you have any discussion with Galic about Libyan oil concessions? A. At that time.

"Q. You did? A. Yes.

"Q. What was said? A. The Liby[illegible]concessions were the topic of conversation ir[illegible]ight then. Realize, this was early (1253) in 19

"Q. Yes. A. The rumors were flowing fast that the government would call for concessions, and Galic had some employment arrangement with Dr. Hammer, and, as I say, my instructions on going to Libya, from the Doctor, was that if I could be of any assistance to Brenner in his dealings with these gentlemen, to do so.

(1254) "Q. Did Dr. Hammer tell you what these gentlemen were supposed to do with Mr. Brenner? A. He didn't.

"Q. Did you have any idea of what they were supposed to do? A. Not really, with the exception of Mr. Ogbi, and Mr. Ogbi was supposed to carry on with the registration of our Libyan subsidary, Occidental of Libya, Inc., which registration had been largely completed several years previously by Mr. Lenghi, but some of the permits and licenses had expired.

"The Libyan—various Libyan offices and agencies had lost some of our prior papers, so it became necessary but us to refile articles of incorporation, and bylaws and have them translated into Arabic, and in order to register these various documents, they had to be presented to four or five different government offices, some of which were located in Tripoli, some of which were located in Benghazi.

"Brenner was working with Ogbi on this, and that was the extent of my communications and relations with Ogbi—it was on this registration.

"Q. Did Occidental have a lawyer in Libya at the time? (1255) A. No.

"Q. Did you understand that Galic was to help get concessions for Occidental? A. I was never informed as to specifically what Galic was supposed to be doing.

"Q. Did you understand what de Rovin was supposed to be doing? A. No.

"Q. In other words, you sat down with these gentlemen at this dinner table and you knew that they were employed by Occidental? A. There was some arrangement, correct.

"Q. You knew that? A. Correct.

"Q. And how did you know that? A. As I say, before I went over to Libya, and the exact timing I don't recall, Dr. Hammer told me that Brenner and these gentlemen would be there, and that perhaps while I was there I could give them some assistance.

"I recognized that this was something that the whole Libyan matter to this point was something that the Doctor made very close to his vest, so to speak.

"He didn't take me into his confidence on those things. (1256) "Q. What were you supposed to assist them to do? Anything they asked you? A. One thing I specifically recall, that the doctor said that Brenner might require my signature inasmuch as I was an officer of Occidental of Libya and that Brenner was not.

"Q. What other assistance did you understand you were to give to this group of men, Galic, de Rovin, Ogbi, Brenner? A. I don't recall that there were any specific directions.

"Q. Were there any generic directions? A. No.

"My instructions were to assist Brenner, not to assist Galic, de Rovin and Ogbi.

"Q. Did you understand that Galic and de Rovin and Ogbi were working with Brenner in whatever Brenner was doing? A. Yes.

"Q. What was Brenner doing, as you understood it, in February and prior thereto in connection with oil concessions in Libya? A. Specifically what he was doing, I don't know.

"Again, that Brenner was apparently under (1257) instructions not to confide in me what his activities were or the extent of them.

"I know among other things that Brenner was trying to work out a fertilizer deal with Mr. Ogbi."

This is now offered by defendant, subject to objection:

"Q. Did Mr. Galic tell you what he was doing, if anything? A. Mr. Galic told me one of the most preposterous stories I had ever heard at that time.

"Q. All right, let us hear the story as he told it to you."

This is all objected to on obvious grounds.

"A. That was that Mr. Galic had an option on all of the oil and gas concessions in the Kingdom of Libya, that he had had the wisdom to acquire these.

"He tried to interest oil companies in taking over these concessions, by taking over this option for the oil and gas rights for all of Libya, and that none of them had had the foresight to do so, and wasn't it a shame, and this was such a fantastic and absurd story that this man told me upon my first meeting, that I made the immediate assumption that he was some sort of a phoney, and I reported this to Dr. Hammer."

(1258) I think that is hearsay and conclusory and argumentative.

Mr. Nizer: How can it be, he says, "Let us hear the story as he told it"?

Mr. Greenspoon: On line 9 he begins, and that is the part we are really objecting to—

Mr. VanVoorhis: That was such a fantastic and absurd story. That is characterization.

The Court: We will eliminate that part, but certainly the report of the conversation—

Mr. VanVoorhis: We are not objecting to what is part of the conversation.

The Court: Dr. Hammer's part of it, I will allow that to stand. His characterization of the conversation, we will eliminate that.

Mr. VanVoorhis: This is offered, without objection:

"Q. You reported to Dr. Hammer in writing, did you? A. No.

"Q. Orally? A. Orally.

"Q. What else did Mr. Galic tell you? A. Well, it was after this same trip—

"Q. No, during this February trip we are talking about. (1259) A. This same trip.

"Q. All right. A. Some of these other people left Libya before I did maybe a week previously.

"I was continuing on my own technical investigations, and I went through Paris on the way back to the United States, and Galic invited me to his home for dinner while I was there.

"There was a great hurrah going on at this time, because Brenner had retained Ogbi in February in Libya, and Galic was of the opinion that any company having any relationship whatsoever with Mr. Ogbi would be, in effect, precluded from obtaining oil and gas concessions when and if they were awarded.

"He had conveyed this information to Dr. Hammer by telephone, and Brenner by telephone had told him that he had retained Ogbi, so that Galic was trying to convince me that I should tell Dr. Hammer that Brenner

has made a big mistake in retaining Mr. Ogbi, and that he should be—or he had arrangements—the arrangements should be terminated as soon as possible.

"Q. He said this to you in Paris? A. Yes.

"Q. Let us go back to Libya for the moment. (1260) A. All right.

"Q. What other conversation did you have with Galic in Libya? A. Galic expressed his distrust of Ogbi to me in Libya and as I recall, this is really Galic's dislike or distrust of Ogbi—it was what precipitated Brenner into making these arrangements with Ogbi, because Ogbi felt that he was either going to be working in some capacity with Occidental, or he was not, and Galic was obviously opposed to it.

"Q. Was there any suggestion made that Mr. Ogbi's selection had been set aside for impropriety and that was the reason why you should dismiss him? A. No. To my knowledge, Mr. Ogbi's selection was not set aside.

"Q. Did Mr. Galic mention Allen & Company at this meeting, or meetings in Libya? A. No, Mr. Galic mentioned one of the Allens while in Paris.

"He said that he had be friended one of the Allens in the past—or I think it was one of the Allens—the wife of one of the Allens.

"Q. What did Mr. de Rovin have to say in Libya on that occasion? (1261) A. I really have very little idea.

"Mr. de Rovin spoke primarily in French and I understand no French whatsoever.

"Q. What did Mr. Ogbi have to say at the meeting in Libya? A. I likewise have very little knowledge, because at that time Mr. Ogbi spoke no English and all conversations with him were carried on in Italian by Mr. Brenner, and I speak no Italian.

"Q. I take it that all these conversations took place at this one dinner meeting? A. No, I am sure that there were other meetings between Galic and Brenner and these other people, that I was not in attendance at.

"Q. I am only trying to find out the meetings at which you were present.

"Did you have any further meeting with Mr. Galic de Rovin or Ogbi? A. We were all staying at the same hotel, and I think we probably had a—there would be—we probably had a number of meals together.

"I don't think—I don't recall any other formal meetings that I attended.

"Q. Did Mr. Galic suggest that you ought to see (1262) Kabazi while you were there? A. I don't recall that.

"Q. Did you have a meeting with Kabazi while you were in Libya in February 1965? A. Yes, I probably did. I made a point of trying to see Kabazi or the other officials of the petroleum industry whenever I went to Libya. Probably we did.

"Q. Did Ogbi accompany you to this meeting with Kabazi? A. No, I don't think I was ever accompanied by Mr. Ogbi in a meeting with Mr. Kabazi.

"Q. Did Galic accompany you to this meeting with Mr. Kabazi? A. It is possible. I don't recall for sure if he did. Any role that he played in discussions would have been relatively minor.

"Q. We are trying to probe your best recollection as to whether or not Galic accompanied you to a meeting with Kabazi. A. He could have, I just don't recall for sure.

"Realize, that I met with Kabazi dozens or more times over the course of many years, and at a lot of those meetings, other people were present other than myself.

"Q. How long were you in Libya in connection with (1263) this February meeting? A. About three weeks, as I recall.

"Q. Can you tell us what the conversation was between you and Mr. Kabazi which you had during these three weeks while you were in Libya in February 1965? A. At that time I was still attempting to ascertain if the

Government had arrived at any firm rules for the bidding on the new concessions, and on the timing when these would be called for—when the call for bids would come about.

"Q. What did Mr. Kabazi say to that? A. He said that the matter was under discussion with other Libyan authorities, and that he did not know.

"Q. What else did you and Mr. Kabazi talk about on that occasion? A. I have no specific recollection."

This is offered by defendant, without objection.

"Q. Can you tell us generally what you and Mr. Kabazi talked about other than as previously testified to during that three-week trip that you made to Libya in February 1965? A. Most of my conversation with Mr. Kabazi between September 1964, when I first met him, and the September-October trip 1964—that is, the September-October (1264) trip 1964—and when concession application bids were handed in, in July 1965, revolved about the same questions—that is, what the basis for the bids would be, when bids would be called for, how important these outside projects would be, that is, non-petroleum projects such as the ammonia project, fertilizer, Oxytrol—it is an oxygen control process for transporting and storing perishable produce.

"This would seem to have had some application to Libyan agriculture, and that was discussed.

"Q. Anything else? A. Those were the subjects that Kabazi and I usually discussed.

"As I said, whenever a new quarterly report or annual report came out regarding Occidental that I would make a point of distributing those to the petroleumministry."

This is read for plaintiff:

"Q. Did Mr. Blom accompany you to your meeting with Mr. Kabazi? A. I would doubt it.

"Q. What was Mr. Blom doing over there, to your knowledge, while you were in Libya in February 1965? A. Mr. Blom was working almost exclusively on the (1265) geological studies, as I was, and Mr. Blom in fact stayed on for several weeks after I left and worked on his own, and he worked with Lawler.

"He went up to Rome and he worked with Lawler for a while.

"Q. Was Mr. Blom present at the conversations you had with Galic, de Rovin, Ogbi, Brenner? A. He was probably present at some of these meals.

"Q. Is that your best recollection, that he was present at some of the meals? A. Yes, I would say that it would be most unlikely that he was not.

"Q. Did Mr. Galic tell you that he had contacts in Libya which could be helpful in getting the concessions when you were in Libya in February 1965? A. Yes, Mr. Galic claimed that he had great friends in Libya and that he had had the oil and gas rights to all of Libya at one time and, as I say, I rather dismissed Mr. Galic as a phony from the beginning.

"The Libyan petroleum law was fairly specific that these bids, these concessions would not be awarded on a negotiated basis; they were going to be on the basis of sealed bids, that the decisions would not be made by one man but they would be made by all of the Ministers of (1266) Libya, the whole Council of Ministers, and presumably everything of importance is reviewed by the King in Libya, and that he would have to pass on this.

"I was courteous to Mr. Galic, but I didn't place much credence in anything that he said.

"Q. I know. But forgetting your characterizations, did Mr. Galic tell you that he had contacts in Libya which could be helpful in getting concessions for Occidental? A. Yes, I believe he did.

"Q. Did you ask him for the names of these contacts? A. I did not.

"Q. Did he tell you the names of these contacts? A. No.

"Q. Did he tell you that he didn't want me to tell you the names of these contacts? A. Did he tell me that he didn't want to tell me?

"Q. Yes. A. I don't recall.

"Q. Did you make any memoranda of the various conversations which you had in Libya in February 1965? A. No.

"Q. Did you make any notes of these conversations? A. No.

"Q. In addition to having conversations with— (1267) A. Excuse me; no, except for the geological information.

"Q. In other words, so far as your conversations with the Ministers were concerned, or with Galic, you made no notes of any of those talks? A. Correct.

"Q. But you did make notes of the geological information that you obtained? A. Yes.

"Q. Where did you obtain the geological information? A. This information was obtained from the other oil companies primarily.

"Q. Electric logs again? A. Logs, just discussion with them about things of a geological nature, what the depth of a certain formation was in a certain well, what the producing formation was in a new discovery wall, where some specific well encountered basement rock, was the basement rock granite or metamorphic—this type of data.

"Q. And this is what you did for three weeks? A. Primarily, yes.

"Q. And Mr. Blom was doing the same thing? A. Yes.

"Q. Independently of you or accompanying you? (1268) A. Under my direction.

"Q. But he didn't go out with you, he went out to see different people; is that correct? A. No, he usually accompanied me.

"Q. So you two were together most of the time? A. Yes.

"Q. And did Mr. Blom make any notes of the scientific data which he obtained? A. Yes, he probably did.

"Q. Did he turn over these notes to you? A. No, he did not.

"Q. Did you make a report to Mr. Hammer concerning what you did and heard and the like in Libya during February 1965? A. Oral report on my return.

"Q. What did you do with the notes which you had at that time? A. Well, again if these are—I doubt very much if these are still in existence.

"Q. Have you looked for them recently? A. They are not in the files.

"This information, this geological information, went into the preparation of our own internal work maps from which we decided which blocks to bid upon.

(1269) "Q. At the conclusion of your February meeting did you determine to cut down the area of your concentration? A. No.

"Q. In other words, nothing that you had learned had persuaded you to cut down or change or alter or amend in any way the area of concentration which you had fixed after your September-October 1964 survey in Libya? A. Well, that was the September-October trip plus the February trip, and it was at the end of the February trip when I retained Lawler, when I came out of Libya—whatever the date of that agreement is, February 20th, and retained Lawler.

"I told him at that time to work within this specific area, and that was—that became our area of interest.

"We had had the area of interest previously but this is the first time that we had put Lawler into that area of interest.

"Q. I take it that you did not see Lawler in Libya, but you saw him in Rome; is that correct? A. Yes.

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"Q. When you left Libya in February 1965? A. Correct."

Passing from line 16 on page 86, to page 90, line (1270) 8, offered by defendant, but without objection:

"Q. Is it your best recollection"—

Mr. Nizer: No, it begins on line 12.

Mr. VanVoorhis: Line 8, page 90.

Mr. Nizer: No, line 12. If you want to read it, go ahead, but it is not designated.

Mr. VanVoorhis: If you don't want it, we will skip it, Mr. Nizer.

"Q. I believe you say that Blom went up to Rome to deal with Lawler after you left— A. To work with Lawler.

"Q. —after you left Libya; is that right? A. Correct.

"Q. Did Mr. Blom submit any reports to you of what he and Lawler did? A. Mr. Blom brought back some maps that he and Lawler worked on.

"Q. Other than that? A. No."

* * *

(1272) "Q. And when you were in Paris did Galic make any mention of Allen & Company? A. That, as I recall, is where Galic did mention Allen & Company, or he mentioned the Allens, and that he had befriended the wife of one of them at some time in the past.

"Q. Did he make any mention of Allen & Company in connection with Libya? A. Yes, I think that he said—implied that there was some relationship between him and the Allens in whatever services it was that he was performing for Occidental.

"Q. Did he tell you that there was an arrangement between Occidental and Allen & Company in connection with Libya? A. Yes. If there was a relationship be-

tween him and the Allens, and Galic and Occidental, I guess that—

"Q. Was this the first time you heard that there was some kind of arrangement between Galic, Occidental and Allen? A. I am not sure whether I ever heard the name of Allen mentioned in connection with Libya before this time or not.

"Q. Did you make a report to Mr. Hammer orally of (1273) what had happened and what you had learned and observed in Libya? A. Yes.

"Q. Did you make a written report other than with respect to this geological information? A. No.

"Q. When did you make this report to Mr. Hammer? A. Well, it was probably shortly after my return to California.

"Q. When did you return to California? A. It was the end of February, probably; I don't recall the specific date.

"Q. What did you tell Mr. Hammer and who was present at the time? A. Probably no one else was present at the time.

"Q. Is that your best recollection? A. That was almost always the case in regards to discussions of Libya.

"Q. Did Mr. Hammer tell you that you were not to divulge any of this information to anyone other than him? A. No.

"Q. What did you tell Mr. Hammer on that occasion? A. I told him of the progress that we were making on our geological studies and the progress that we were (1274) making on the registration of the company, the latest feelings of the Embassy and indications from the Ministry as to when bids would be called for.

I discussed with him this Galic-Ogbi controversy that Brenner was very much involved in.

I believe that was the essence of that conversation.

"Q. What did you tell Mr. Hammer the Embassy had said about this matter? A. The Embassy felt that bids

would be called for within the next few months, that they, like everyone else, were really guessing at the exact date when bids would be called.

"Q. To whom did you speak at the Embassy on that subject— A. I usually spoke with the Ambassador and with the Economic Attache.

"Q. That is what you usually did; but what did you do on this occasion? A. It must have been one of those two men.

"Q. What did you tell Mr. Hammer that Mr. Kabazi had said? A. Well, probably pretty much what I related earlier as to what Kabazi told me, and again most of my conversations with Kabazi related to the timing, and the nature, that is, (1275) the form that the bids would take.

"Q. Did you speak to the Minister of Agriculture during February 1965? A. I don't recall specifically which of these officials I spoke to on these trips.

"During 1965 I made a number of trips to Libya, and I attempted to speak with various Libyan officials, and, as I say, distribute new financial reports, annual reports as they came out, but I can't tell you at this point in time specifically which one I spoke to on any one trip.

"Q. Did you speak to the Minister of Industry on this occasion? A. This trip.

"Q. This particular trip, February 1965. A. As I recall, I did, I recall that I did.

"Q. What did you talk to him about? A. Again the only thing I was speaking to the Minister of Industry about was our possible utilization of Libyan gas for ammonia.

"Q. Did you report to Mr. Hammer on that conversation? A. I imagine I did.

"Q. Is it your best recollection that you did? A. It is my best recollection that I did.

"Q. As of the date upon which you returned to (1276) California from Paris late February or early March

1965, had you ever heard of a man by the name of Mr. Kunz? A. No.

"Q. Have you ever heard of a man by the name of Mr. Kamal? A. No.

"Q. Did Mr. Hammer, when you reported to him, mention either of those two men? A. No.

"Q. Was your view as to whether or not Occidental should go into Libya changed by anything you learned in February 1965? A. I would say that only my geological enthusiasm for the exploration potential had possibly been increased.

"Q. So that rather than diminish your views as to whether they should go in, this increased your belief that they should go into Libya? A. Yes, sir.

"Q. And you so reported to Mr. Hammer? A. Yes.

"Q. Did you so report to Allen & Company? A. No.

"Q. Do you know whether Mr. Hammer so reported to Allen & Company? (1277) A. I don't know.

"Q. Did you do any investigating, or make any, at this time in February 1965 in connection with costs and expenses? A. To the best of my recollection, most of those cost studies were made in the September-October trip.

"Q. Did you make any at all on this occasion or did Mr. C. James Biom make any on this occasion in February 1965? A. We possibly talked to the contractors to see what the current status of activities—of their activities was.

"Q. When you speak of contractors, you mean drilling contractors? A. Seismic contractors.

"Q. And the like? A. That's right.

"Q. And you got costs or approximate costs, or anticipated costs from them? A. Correct.

"Q. For specific jobs; is that correct—such as drilling a well, or doing a particular seismographic chore? A. Yes, for drilling a particular type of well, a (1278) particular depth of well in a particular area.

"Q. Were these American contractors over there? A. Almost exclusively.

"Q. Could you tell us the names of the contractors to whom you spoke in Libya in September and February? A. The drilling contractors that I spoke to included Santa Fe Drilling Company, International Drilling Company, Loffland Brothers.

"The geophysical companies included the Geophysical Services, Inc., Robert Ray, Geophysical Company, I think the Seismograph Service Corporation.

"The mud contractors included Millchem, Macobar.

"Those are a few names.

"Q. Were there road contractors? A. No, I don't believe so at that point in time.

"Q. Pipe line builders? A. Yes, I talked to Bechtel Corporation. And some place in this general period I spoke to Williams Brothers, also.

"Q. Are they all located in Tripoli? A. Yes.

"Q. When was your next trip to Libya after March 1, 1965? A. I was over again some time in the spring of 1965 (1279) and I don't recall the exact dates. This may have been May or April, but I believe that I was over once more prior to going over in July.

"Q. Did there come a time in 1965 when the Libyan Government requested bids on concessions?"

The Court: What is the corrected answer?

Mr. Nizer: He looked up his passport and gave revised information—it is page 323. I can read it in right now, your Honor. It is page 323, line 14.

Mr. VanVoorhis:

"A. A review of my passport last night indicated that in fact I did not make a trip to Libya in 1965, that I was not in Libya between the February and March trip, and that a further review of my passport indicated that during this period of time I made some twenty-odd trips in

and out of Libya, and my recollection as to exactly the date I was there is not totally accurate.

"Q. Just let us see. We have the trip earlier, which you identified the dates of, and that was the fall of 1964. That is correct so far, isn't it? A. Correct.

"Q. Then you made, you say, a trip there in February-March, 1965? A. Correct.

(1280) "Q. Then you made the trip there which we just mentioned in July, 1965? A. Correct.

"Q. You mentioned that you were in and out of Libya some twenty times? A. Between September, 1964, and the present time.

"Q. You mean between October, 1964? A. October, 1964.

"Q. And the present time? A. And the present time.

"Q. After July, 1965, what was your next trip? A. October, 1965.

"Q. After October, 1965, what was your next trip? A. I believe that would be the February trip of 1966.

"Q. And after February, 1966, that would include the period of time in which the contract for the concessions was made? A. Right.

"I think that I was scheduled to go on a spring trip in 1965.

"I would now guess that Dr. Blom probably went in my place."

* * *

(1282) "Q. Did there come a time in 1965 when the Libyan Government requested bids on concessions? A. Yes.

"Q. When was that approximately? A. It was approximately June 1st. It was either the last two or three days of May or the first day of June.

"Q. Was your trip after the February trip made before the invitation for bids was issued? A. That is my recollection.

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"Q. Now, sir, between the time of your return to the United States around March 1, 1965 and the date of your next trip to Libya, did you engage on any activities in connection with the Libyan oil concessions? A. Just in the evaluation of the data that Lawler was preparing.

"Q. You mean that during this period of time data came from Rome to California? A. Correct.

"Q. And this data was in the form of geological maps? A. Correct.

"Q. Any other data? A. No.

"Q. And you evaluated that data? (1283) A. Correct.

"Q. Did you prepare a report on that data? A. No.

"Q. In connection with your February trip did you make an oral report or a written report to the Board of Directors of Occidental? A. Neither.

"Q. And the only report that you made was the one that you mentioned to Hammer? A. Correct.

"Q. And that was oral? A. Correct.

"Q. Did Mr. Hammer tell you in March 1965 that he had related your reports to the Board of Directors of Occidental? A. I have no recollection of him mentioning that.

"Q. Did Mr. Hammer indicate to you during that period of time whether or not the Board of Directors was prepared to go ahead in Libya? A. Only by implication that I was instructed to continue working on the Libyan project.

"Q. Were you instructed to go back to Libya in April or May or did you decide that for yourself? A. I probably decided that for myself.

(1284) "Q. Did you determine that you required additional information, and is that the reason why? A. Yes.

"Q. Was Mr. Blom over there all this period of time? A. No.

"Q. When did he return to the States? A. Several weeks after I did. He went to Rome and worked for

several weeks in Rome with Lawler and then he returned to the United States. This would have been some time in March 1965.

"Q. I believe you said he did not make a written report to you? A. That is correct.

"Q. Did he indicate to you that he had engaged in correspondence with Mr. Lawler? A. I believe that Blom and Lawler may have had some very limited correspondence about the work that Lawler was doing for us.

"Q. To go back for a moment to the February trip, did Mr. Brenner indicate to you what he was doing in Libya for Occidental other than in relation to fertilizer? A. Brenner was working with Ogbi on the registration of the company; that much I knew. His other activities he did not relate to me.

(1285) "Q. Did anyone tell you what Brenner's activities were in Libya during February 1965? A. No.

"Q. Did you in your discussion with Mr. Hammer suggest that you ought to know more about Mr. Brenner's activities? A. No. I recall that I made one suggestion that perhaps Brenner should be made a vice president of Oxybilya so that he could take care of some of these activities on his own and he wouldn't require my signature for things that I was not familiar with.

"Q. What did Mr. Hammer say to that? A. It was never carried out.

"Q. Incidentally, weren't you curious as to what Brenner was doing in Libya? A. I had rather specific instructions from Dr. Hammer.

"Q. To not get involved? A. Right.

"Q. And to do what you were asked to do? A. Correct.

"Q. And other than that you paid no attention to what Mr. Brenner was doing in Libya; is that right? A. I knew he was meeting with this group of people, but I didn't know specifically what was going on at these (1286) meetings.

"Q. And you never asked? A. I was specifically instructed not to.

"Q. Did Dr. Hammer, when you were in California reporting to him after your February meeting, indicate to you the extent of Brenner's activities in Libya? A. No."

* * *

(1287) "Q. Have you been able to ascertain, Mr. Vaughan, the areas, if any, which were delimited in the informal proposal? A. No specific areas were mentioned in the informal proposal of 1963.

"Q. Was there any general area related in that document? A. No general area was there."

* * *

(1290) Mr. Greenspoon: At this time, your Honor, I offer in evidence Plaintiff's Exhibits 101 and 106. I won't characterize them.

(Plaintiff's Exhibits 101 and 106 for identification were received in evidence.)

Mr. Nizer: May I be heard on this, please, your Honor.

The situation on these two letters is as follows: As the record will show a little later, we produced the Lawler file which was with the maps in an old map place, but I didn't think it had any relevance to the issue, so I specified at the deposition what the documents were, and invited our adversary if he chose to make the motion for (1291) discovery. That motion was made and it was argued that these letters which have now been offered ought to be admitted. The matter of the White matter was also argued as a possible contradiction.

Judge Lasker, in a memorandum and an opinion which I submitted to your Honor some time ago—I think your Honor still has it there—dated October 14, and a supplemental memorandum of his own of October 21—received five letters in the entire

file, not even entire letters, but he said Paragraph 3 of the letter of such and such a date—he made a very careful analysis—should be submitted, at least on the breadth of a deposition even though it might be irrelevant at the trial.

We immediately therefore by letter sent those letters under letter of October 20 to counsel.

Among those excluded was P106, which your Honor has in front of you, after an analysis and an argument. P101, which was handed up to your Honor was not excluded. Even though it is irrelevant that is before your Honor without Judge Lasker's opinion that it is irrelevant, and if your Honor wishes to take that for whatever background it gives on the loss and so on, I don't think it is pertinent, but that is all right.

(1292) With respect to P106, the rider in that has been referred to here and refers to the fact that these letters refreshed his mind that he once wrote about White, but we didn't submit the letter until Judge Lasker ruled whether it was pertinent or not, and he ruled it was not. So I asked for the exclusion of P106 although it isn't binding upon your Honor, but in view of that prior analysis, and for P101, we have no objection.

The Court: You have no objection to P101, is that it?

Mr. Nizer: 101. We don't think it is relevant but Judge Lasker decided that ought to be shown to them, so I am not going to raise any objection. I do object to P106, it is totally irrelevant and also no impeachment, since we revealed in the rider that we had other correspondence and there is testimony in the record by the witness—we haven't reached it yet—but both sides have submitted it, I think, which explains how we found this other

pile and why we submitted these letters to Judge Lasker.

Mr. VanVoorhis: P106 purports to be prompted by and in response to P101, at least it refers to 101 and—

Mr. Nizer: No, it is not a reply.

(1293) Mr. Greenspoon: Second paragraph.

Mr. VanVoorhis: "Based upon your recent communications with Dr. Hammer and myself."

Mr. Nizer: This is Vaughan to Lawler.

Mr. VanVoorhis: It says "The rather demanding conclusion to your letter of March 29, 1965."

We submit that it relates to the subject of what Galic turned up and it is relevant to the issues in the case.

The Court: Well, I certainly wouldn't take it as evidential that this is what Galic turned up, the statement in this letter. I don't believe that you can really advance that argument seriously.

Mr. VanVoorhis: I mean in relation to other—

The Court: I thought you used the term "turned up" there because that is the reference in the letter of December 1964. I certainly wouldn't regard it as evidential in that respect.

Is that what you are contending?

Mr. Greenspoon: No, your Honor. The relevance of 106 is several fold. First, it certainly goes to credibility of Mr. Vaughan and Dr. Hammer for that matter.

The Court: Credibility of whom?

(1294) Mr. Greenspoon: Of Mr. Vaughan and Dr. Hammer, for that matter. Secondly, this second paragraph relates to a dispute between Ogbi and Lawler which the defendant has been trying to pass on as between Ogbi and Galic, and that contradicts him there again.

Third, it makes it perfectly clear that Occidental Petroleum knew that there would be someone who would fill that vaccum, who will move into the receiving and granting position.

The Court: Would you say that again?

Mr. Greenspoon: I am talking about the very end of the first paragraph, your Honor, where he talks about "I have concluded that it is now your belief that the White family will not become involved in any way."

Then he goes on to say, "That means that a vacuum now exists which certainly will be filled by somebody who will move into the receiving and granting position.

"What are your thoughts on this?"

So this is—

Mr. Nizer: That is not Galic.

Mr. Greenspoon: I didn't say it was Galic.

It underlies the importance of Kabazi. It certainly goes to credibility. And it certainly is in (1295) response to the March 29, 1965 letter.

The Court: That is not the only theory, but probably the best theory on which you can argue for its submission on the document of completeness, that is an acknowledgement of the letter of March 29, really, but I am frank to say that there is so much free wheeling statements in these letters that in and of themselves they raise a question as to whether or not they really add anything of an evidential nature inso[illegible] as the precise issues in the case are con[illegible]

Mr. Nizer: May I suggest—excuse me, sir.

May I suggest if that is the link, the reference to the March 29th, that we do what Judge Lasker did in many instances, take that paragraph—it is the only one that refers to P101—and leave out

the rest and I won't have any objection, but otherwise the contention is made here, I don't want to take time, but they are in error.

It doesn't refer to Dr. Hammer in any way with respect to any issue of impeachment and the vacuum referred to is simply that there will be another government, and therefore one doesn't know what will happen.

I don't see that that is an impeachment. And if anything, all the inference from this letter is that (1296) it had nothing to do with Galic and that it negates it.

But for brief purposes, your Honor, in P101, previously ruled to be at least possibly material, and P106, in the second paragraph refers to it, perhaps we can agree to take P101 and the second paragraph of P106.

Mr. VanVoorhis: Your Honor, the letter is written by the vice-president of the defendant corporation. It relates to the Libyan scene at a time when possible changing political situations may have a very definite bearing on the prospects for concessions and how they are to be obtained, and it is related definitely to the whole picture. We submit that the whole letter, not just the second paragraph, should be admitted.

Mr. Nizer: One other observation on this. The date of this letter is April. You have already read in testimony that it was June 1 that they expected—that there would be a call for bids. So obviously there was another reference to "I wonder whether it will be June 1st or be delayed by change of government or whatnot."

There is no implication such as you make, Judge VanVoorhis. I suggest again that it would be liberal to the plaintiff to permit in P101, which really has nothing to do with the issues in this

case, but if he wants it, (1297) there it is, and the second paragraph which connects with it, in P106.

The Court: Well, I will receive it under the doctrine of completeness.

I have however already indicated that I have a very substantial question as to its relevance insofar as the basic issues in the case are concerned, and taking into account Mr. Greenspoon's statement on credibility, this is a little far-fetched too, you know.

* * *

(1298) "Q. I show you a copy of Plaintiff's Exhibit 40 for identification"

P87—

"dated March 5, 1965, and I ask you if you recognize that as a letter which you wrote to Mr. Galic. A. Yes."

That obviates our objection. It was just to the colloquy that we objected.

The Court: This letter is in evidence?

Mr. Nizer: Yes, P87.

Mr. VanVoorhis:

"Q. You mention in the second paragraph, the first line, as follows:

"'In regards to the Libyan project, I found things in a rather confused state of affairs upon my return to Los Angeles.'

(1299) "I ask you: Is the Libyan project to which you refer the attempt to get oil concessions in Libya? A. Yes.

"Q. Will you tell us what 'the confused state of affairs' was that existed at that time? A. Yes. That was the controversy between Galic and Brenner in regard to Mr. Ogbi.

"Q. I am not exactly clear on what this controversy was.

"Do I understand that Galic wanted to get rid of Ogbi and Brenner did not?"

Mr. Greenspoon: We object to the balance of this.

Mr. Nizer: Will you read it, please?

Mr. VanVoorhis: "A. Yes.

"Mr. Galic and his good friend General—and that is 'General' in quotes—deRovin were trying to undermine Mr. Ogbi in Mr. Brenner's eyes, and this was producing considerable hard feelings between Mr. Ogbi and, of course, Galic."

The Court: In light of the question that was asked, I will allow it.

Mr. VanVoorhis:

"Brenner felt that he had to take (1300) a position in this and did so, which was contrary to Galic's views.

"Galic claimed again that with his great good contacts in Libya through Genera' deRovin who, of course, we later found out was this international imposter and embezzler and swindler, that through his friends Mr. Galic believed any association with Mr. Ogbi by Occidental or anyone else would preclude that company from ever obtaining a concession in Libya.

"At this very time Mr. Ogbi was—Ogbi had informed Mr. Brenner that in fact it was General deRovin who was a suspicious character, and in fact Mr. Galic's good friend General deRovin was already in trouble in Libya because he was—because he had trouble with his passport or his visa, and he was trying to influence either the security police or the immigration people, and make some bribe to them to get his papers in shape so that he could remain, and Mr. Ogbi informed Brenner that it was General deRovin who was creating a bad name in Libya.

"Q. Was this— A. And it was deRovin, Galic's good friend, of course, who was supposed to have all of these contacts in Libya."

(1301) The question was, "Do I understand that Galic wanted to get rid of Ogbi and Brenner did not," and the answer is, "Yes." We submit that all the rest of that was not responsive and is self-serving and conclusory.

Mr. Nizer: It explains why he did want to get rid of him, and I thought his Honor had ruled on that.

The Court: I will take the first paragraph, "Mr. Galic and his good friend," and the second paragraph. There is a good deal in the record already about General deRovin and I don't see that it adds very much more. At any rate, the same thing has been said at least a dozen times in the record.

Mr. VanVoorhis: Page 118, line 4:

"Q. Didn't Galic tell you that he personally had contacts in Libya other than through deRovin? A. No."

The rest of it, we submit, is subject to the same objection as the last.

Do you want us to read this for the record?

Mr. Nizer: Yes, please.

Mr. VanVoorhis: "Galic built up deRovin as a *persona grata* throughout North Africa, that he had some story that deRovin had been a French general, and had been instrumental in aiding the Arab cause during the war.

(1302) "I believe this was supposed to have been in Tunisia, but as a result of that, that he had established many high level friends in Libya, and that it was through General deRovin that Galic had his contacts in Libya."

All of which is conclusory.

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The Court: We really have this reference in the case almost *ad nauseam*, seriously.

Strike it all out after the word "No."

Mr. VanVoorhis: Plaintiff reading:

"Q. Was Mr. Lawler and Mr. Ogbi involved in a disagreement at this time, in March, 1965? A. No, I don't believe Lawler was even in Tripoli at this time.

"Q. So far as you know, you never heard of any dispute at this time in March 1965 under which Lawler objected to Ogbi's activities and vice versa? A. Correct. They would have no reason to object to each other's activity."

And the rider attached being offered as an adjunct to this answer.

Mr. Nizer: It says "(See attached rider).

Mr. VanVoorhis:

"Q. Do you personally know anything at all about deRovin's visa or passport trouble in Libya, or are you relating to us something that was told to you by Mr. Brenner? (1303) A. Correct.

"Q. Which is correct? A. That this was related to me by Mr. Brenner, because as I reported earlier, at this point in time Mr. Ogbi spoke no English.

"Q. And Mr. deRovin spoke no English? A. Effectively that is right.

"Q. You go on in the next sentence to say as follows:

'Such resulting largely from understanding and communication problems as I indicated to you would be a very likely result of attempted telephone communications.

"Will you tell us what you mean by 'understanding and communication problems?' A. Mr. Galic and Mr. Brenner left Tripoli perhaps a week before I did, and Galic said before he went out, he said that he was going to telephone Dr. Hammer and tell him what a mistake Brenner had made in retaining Ogbi.

"I suggested to him that it might be better not to try and explain it over the telephone because considerable confusion would result.

"When I got to Paris approximately a week later I found this to be the case, that Dr. Hammer had had one story about Mr. Ogbi from Galic, and another story from Mr. Brenner.

(1304) "Q. Will you tell us what the story was which Mr. Hammer got from Galic about Ogbi? A. I only know that he was trying to discredit Mr. Ogbi.

"Q. Do you know what he said in an effort to discred Mr. Ogbi? A. I do not.

"Q. Does it have anything to do with Mr. Ogbi's election being set aside? A. You mentioned that the other day, and I have no recollection of Mr. Ogbi's election being set aside.

"Q. What did Mr. Brenner say to Mr. Hammer so far as you know concerning Mr. Ogbi? A. I was never present at any telephone conversation between Brenner and Hammer.

"Q. Did Brenner or Hammer report to you as to what was said about Mr. Ogbi by Mr. Brenner to Mr. Hammer? A. No.

"Q. Had you met Mr. Brenner at any time prior to September 1964? A. No.

"Q. When for the first time did you meet Mr. Brenner? A. I believe it was in February 1965.

"Q. And that was in Libya? (1305) A. Actually I inadvertently met him in Paris several days before I went to Libya.

"I was—my flight was scheduled to go into Rome, and at that time Rome was experiencing the worst snow storm in 320 years and the Fium Ciano Airport was closed for three days, the plane stopped in Paris, and I didn't know a soul in Paris, and I heard about Brenner by this time, and I called his office and asked him to get me a hotel

room, and he did, and I believe that was the first time I met Brenner."

Plaintiff reading:

"Q. In the next sentence in Plaintiff's Exhibit 40 you go on to say as follows:

'The indicated delay in the government's call for formal concession bids will be to our advantage', et cetera, and I ask you who indicated that there would be a delay in the government's call for formal concession bids. A. I believe that was indicated to me before I left Tripoli and it was probably indicated by the Ministry.

"This was very pleasing to me, because this would give us a chance to complete our geological studies which at this point in time were really only getting under way, and so I was very pleased that there was going to be a delay. (1306) At this point in time we didn't know how long the delay was going to be, but any delay was going to be a tremendous help to me in my technical work.

"Q. Isn't it a fact that this delay was indicated to you by Mr. Galic? A. I have no recollection of Mr. Galic indicating a delay. He might also have been aware of it.

"Q. In the last sentence of Plaintiff's Exhibit 40, you go on to say as follows:

'I hope to see you in the not too distant future, and believe that we can pursue to a mutually satisfactory and profitable conclusion our efforts in Libya.'

Do you see that sentence? A. I do.

"Q. To whom did you refer when you said 'a mutually satisfactory and profitable conclusion'? A. I believe that sentence has to be taken in the context with the preceding one.

"What I was saying was that if Galic would stop muddying the waters and trying to undermine the other people

working on this, that we could proceed with our work and the chances of Occidental being successful would be much greater.

"This was a type of statement that I would have (1307) written to Ogbi or Brenner or anyone under the circumstances here.

"This was—this was essentially a gracious letter on my part. I was just thanking Brenner for his hospitality—

"Q. You mean Galic? A. Yes, excuse me, Galic for his hospitality.

In fact, as I recall it, this letter was a personal letter. It was not signed as a representative of the company.

In fact, I believe this letter was written on my personal letterhead, and it was not intended to be a corporate document.

"Q. In other words, the word 'mutually' would include Galic and everybody else, including Occidental? A. Yes. It certainly included Occidental.

"Q. Did it also certainly include Galic? A. Yes, Galic had some understanding here. I did not know at that time what his specific role was supposed to be, and I only knew that he was working in conjunction with Ogbi and Brenner on this.

"Q. Did you also know that he and Dr. Hammer had entered into a writing in September 1964 concerning Mr. Galic's duties? (1308) A. I had no knowledge of that.

"Q. No one had told you about that at this time by March 5, 1965, including Mr. Galic? A. I believe that is correct.

"Q. Did you employ Lawler to perform any services for Occidental other than those expressly set forth in the written agreement dated February 20, 1965? A. Yes. After that agreement terminated Lawler was used inter-

mittently for the next several years to make specific geological studies for use.

"Q. Did you understand that Lawler was a man who had spent substantial time in Libya over the years from 1954? A. Yes.

"Q. Did you ask Mr. Lawler to do any work for Occidental in connection with the Libyan project, of course, other than geological or scientific work? A. I did not. (See attached rider)

"Q. Did you ask Mr. Lawler to act in conjunction with Mr. Galic to inquire into the political situation in Libya? A. I did not. (See attached rider)

"Q. Did Lawler volunteer to perform any services in connection with investigating the political situation (1309) in Libya, and as it affected your ability to obtain concessions? A. Yes.

"Q. What did you ask him to do? A. No, no—you said did Lawler volunteer.

"Q. What did you say when Lawler so volunteered? A. His offer was rejected. (See attached rider)

"Q. In other words, you told him not to concern himself with political activities and any investigation thereof in Libya? A. Correct. (See attached rider)

"Q. Did he, to your knowledge, do any investigating of the political situation in Libya as it may have had any bearing upon your ability to get concessions? A. I don't believe so. (See attached rider)

"Q. Did he ever report to you that he had performed any services for Occidental in Libya other than geological? A. Not for Occidental—excuses me—this is—Lawler had done something for Occidental probably during 1963, but I was not aware of what he did other than providing this one map set that I found in the Los Angeles files.

"Q. Limiting the period of time to the date when you first met Lawler, which would be some time around (1310) September 1964, did Lawler thereafter report to you that

he had performed services for Occidental in connection with the concessions other than geological? A. No, I don't believe that he performed services for Occidental. But Lawler called Los Angeles some time after March and prior to July, volunteering his services, and there was a lengthy phone call about this and his services—we did not accept his offer.

"Q. Did Mr. Galic discuss with you either in Libya or in Paris in February 1965 the political developments in Libya vis-a-vis your attempt to get concessions, of course? A. Well, at the dinner at his home Libya was, of course, one of the principal topics of conversation. The political situation may have been under discussion in Libya. It had been a historic fact that the Government changed with regularity.

"Approximately every three to four years a new Prime Minister and new Cabinet was selected.

"About this point in time Mr. Muntasser, who was then Prime Minister, was in ill health, and had been in office for some years and there was a discussion that the Government might change.

"Q. This discussion was between you and Mr. Galic? (1311) A. I say this was general discussion that was prevalent in Libya at that time, and Galic and I may have discussed the same thing; I don't recall."

Page 128, line 18, defendant offering, without objection:

"Q. Did Galic tell you at this dinner in Paris, or before you left Libya that he was reasonably sure that you were going to get the concessions you wanted in Libya? A. On the contrary, Mr. Galic assured me that by virtue of Brenner's agreements with Ogbi that Occidental would not get any concessions in Libya. He said that our name was so tarnished by any association we had with this man that we would be precluded from getting conces-

sions, and Galic furthermore suggested that some other independent oil companies be brought into the picture and concessions obtained in their name rather than in the name of Occidental.

"Q. Did he mention the names of these independents or any of them? A. The only name that he mentioned was that of Associated Oil & Gas."

Passing to page 130, line 13:

"Q. Did Mr. Lawler do any work in collaboration with Mr. Galic, to your knowledge? A. No.

(1312) "Q. Mr. Vaughan, would you please look at Plaintiff's Exhibit 41 for identification"—

P89—

"which is dated March 8, 1965, and tell me when you have read this letter? A. Well, I have read it shortly after this date, when it was received by me at my home in Bakersfield."

Passing to line 3, page 131—

The Court: Just a moment, please.

(Pause)

Mr. VanVoorhis: Line 3, page 131:

"Q. Were you told at this time, approximately March 8, 1965, that Occidental was going to terminate with Ogbi? A. I was not.

"Q. Would you please look at the second paragraph of Plaintiff's Exhibit 41 for identification and tell me when you have read that paragraph. A. Well, again several days after the mailing of this letter, whenever I received it.

"Q. You understood from that that Mr. Galic was telling you that you were going to get the concession but not through Ogbi; isn't that correct? A. I think that this letter just restates what (1313) Galic was trying to im-

press upon me and the reason he was trying to cultivate me in Paris is that he was trying to get rid of Ogbi for some reason, and when I received this letter, I notified Dr. Hammer about it, and he said, 'Well, you just continue to stay out of this thing. This is not your affair. You are a technical man; you are a geologist. Your functions should be directed in those technical and geological directions.'

"And as a result, this is what I continued to do. I continued to play geology close to the vest.

"By that I mean I didn't burden the Doctor with details on the geology. Just as he played the business end that way, that he didn't burden me with the business details here."

* * *

(1314) "Q. Did you ever meet a man by the name of Khogia in Libya? A. No.

"Q. Did you ever meet with Mr. Kabazi in his home at night after office hours? A. No.

"Q. Did you ever meet a Mr. Khogia at Mr. Kabazi's home? A. No.

"Q. Did Mr. Kabazi ever mention to you that he had a relative by the name of Khogia? A. No.

"Q. Did Mr. Galic ever mention to you that Mr. Kabazi had a relative by the name of Khogia? A. Yes, I believe he did.

"Q. When was that? A. It must have been in this February, 1965 trip.

"Q. What did Mr. Galic say about Mr. Khogia on that occasion? A. I believe that Mr. Khogia was supposedly one of (1315) the associates or friends of General de Rovin, and that he was some distant relative of—by marriage, I believe—of Kabazi.

"Q. Was there anything else said? A. I don't believe so—nothing to my recollection.

"Q. Did Galic indicate to you that Mr. Khogia could be helpful in analyzing the polictical situation in Libya? A. Mr. Galic was trying to impress me how he and his good friend Mr. de Rovin had all of these contacts—many contacts in Libya, who could be helpful.

"Q. Was one of them that he mentioned Mr. Khogia? A. Yes, I believe it was.

"Q. What did he say about Mr. Khogia as the contract—I am trying to ask you what Galic told you what Mr. Khogia could do. A. I don't think Mr. Galic told me what Khogia could do.

"Q. Did Mr. de Rovin tell you what Mr. Khogia could do? A. No.

"Q. Did anyone in Libya at that time, February 1965, indicate to you in any way what Mr. Khogia could do in connection with oil concessions in Libya? A. No.

(1316) "Q. In other words, this was just passing reference"—

Mr. Greenspoon: That is not answered.

Mr. VanVoorhis:

"Q. Was there anything else said about Mr. Khogia by anyone in February 1965?"

There is no answer to that either.

Reading from line 9:

"Q. Was anything else said? A. No, not to the best of my recollection.

"Q. Did I understand you to say that Plaintiff's Exhibit 40"—

P87—

"was written on your personal letterhead?

"A. That is my recollection, yes.

"Q. What was your home address at that time? A. 1716 Country Club Drive, Bakersfield, California.

"Q. Did you have that address on your personal stationery? A. I did.

"Q. Did you give Mr. Galic your personal address when you were in Paris? A. I doubt it.

"Q. I know; but what is your best recollection? A. I did not.

(1317) "Q. In February when you where in Libya did Galic discuss with you the nature of the competition in Libya? A. No. I might add that the nature of the competition was fairly obvious. Almost every international oil company in the world would be competing for these concessions.

"Q. But did you have any discussions with Galic, de Rovin or Ogbi about this potential competition in Libya? A. No."

Passing to page 140, line 8:

"Q. Did there come a time when you commenced work on a formal submission or bid for specific concessions in Libya? A. Yes.

"Q. When did you commence that work? A. Probably some time in June 1965 after the formal call for bids by the Libyan Government went out.

"Q. Who worked with you, if anyone did, in preparing that formal submission? A. Dr. Blom and my geophysical department in Bakersfield worked on the maps and the geological aspect of the bid. They prepared the background data and I made the selection as to which blocks we should (1318) bid for.

"The rest of the bid or the bulk of the bid was largely a submission of formal documents, such as a copy of the by-laws, the articles of incorporation, and incumbency certificate, a copy of the annual report, a copy of a letter regarding our financial stability, copies of registration papers required by the Libyan Government.

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The text of the bid itself was, as I recall, only two pages in length, that this was largely an answer to specific questions by the Libyan Government, that the Government had seventeen original elements of preference that they asked the companies to base their bid upon.

Three of those elements of preference were incorporated into the revised petroleum law in November 1965.

The rest of the bid revolved around our special projects, and this was the ammonia project. This was the project that we had discussed with the Libyans from the very beginning. This was an area of our competence that we were doing this same type of project in Saudi Arabia, that we had one of the world's foremost fertilizer marketing organizations, that we had become experts in (1319) the field of agricultural fertilizers, that we had experts in the field of perishable produce transportation, and that we in fact prepared a film that was narrated in Arabic regarding our Oxytrol process.

"This was shown in Tripoli, Libya and a great many government officials saw this film."

(1320) "Mr. Nizer: What countries?

"The Witness: The film was about California, primarily.

"Mr. Nizer: But you said government officials—what officials—

"The Witness: Libyan Government officials. The Prime Minister of Libya saw this, the Minister of Agriculture saw it. It was extremely well received.

"Q. When was this film shown in Libya? A. That film was shown during the Tripoli International Trade Fair in February 1966.

"Q. Who worked on preparations and writing of the data concerning the special projects? A. Dr. Hammer and myself.

"Q. Did any Libyan work with you on them? A. The only Libyan work, or work by a Libyan was in translation."

Passing now from Line 22 Page 142 to Page 152, Line 10:

"Q. How many copies of Plaintiff's Exhibit 74 (P30) were produced or made at the time by Occidental? A. At the time?

"Q. Yes. A. Five.

(1321) "Q. How many were filed? A. Three.

"Q. On what date were they filed? A. July 29, 1965.

"Q. Does Plaintiff's Exhibit 74, as it is produced here today, contain everything that was filed on July 29, 1965? A. No.

"Q. What is missing from Plaintiff's Exhibit 74 as filed on July 29, 1965? A. There was a very thick and voluminous agricultural report suggesting, or outlining the nature of Occidental's proposed participation in Libyan agriculture, and included with that was a brochure of one of Dr. Hammer's Angus bull sales which had occurred several years previously.

"There was only one copy of the latter brochure and that was turned in to the Libyan Government. There are no other copies of that.

"Q. Anything else?"

Mr. Nizer: That is P54.

"A. No."

Passing from Line 11, Page 153 to Page 155—

Mr. Greenspoon: Just a moment. Your Honor, (1322) in connection with that testimony that was just read relating to the offer to bid put out by the Libyan Government. I offer in evidence Plaintiff's Exhibit 116 which is the factors.

Mr. Nizer: No objection.

(Plaintiff's Exhibit 116 for identification was received in evidence.)

Mr. VanVoorhis: Line 6, Page 155.

"Q. In addition to the informal proposal dated July 1963 in Plaintiff's Exhibit 74 (P10) was any material filed by Occidental with the Kingdom of Libya prior to July 29, 1965? A. Yes, all of the corporate papers that were required for registration in Libya were filed.

"Q. Anything else? A. No.

"Q. Was there any paper filed with the Kingdom of Libya prior to July 29, 1965, which in any way referred to Allen & Company or Galic? A. No.

"Q. Were there any papers filed prior to July 19, 1965, excluding the informal proposal, which had reference to how Occidental was going to finance the Libyan project? (1323) "A. Yes. There were included in the formal proposal a statement by our bankers, the Chase Manhattan Bank, as to the general financial position and net worth of Occidental.

"This was in the form of a letter to the Minister of Petroleum Affairs Gabazi, and in fact there were two letters about a week to two weeks apart.

"I believe that during that two-week period some additional financing or underwriting was consummated, and our net worth was increased, and so a second letter was written by the Chase Bank to the Libyan Ministry.

"Q. Was that written subsequent to Julyœ(, L(¢%/ A. No, it was written prior to that time, just immediately prior to it, and it was included as part of this bid.

"Q. In other words, that letter from Chase Manhattan Bank is part of Exhibit 74 (Pi30)? A. The second letter from the Chase Bank.

"Q. Is part of it? A. Yes.

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"Q. What about the first letter from the Chase Bank? A. To the best of my knowledge, the first letter was mailed by Chase Bank to the Libyan Government.
(1324) "Q. Do you have a copy of that letter which was mailed by the Chase Bank to the Libyan Government?"

Mr. Greenspoon: That is all.

Mr. Nizer: You may wish to note that the second letter increased the assets from 47 million to 67 million. Net worth. I said assets

The Court: I think the net worth, wasn't it listed as 74 million?

Mr. Nizer: 47 to 67.

The Court: I couldn't figure out how we got to the net worth based on the figures that preceded it.

Mr. Nizer: What happened was they had another financial—another issue, and they filed a second letter. That is the one that is referred to. I would just identify it, increasing it to 67 million net worth.

The Court: My recollection is the first letter was dated July 15.

Mr. Greenspoon: Yes, sir.

Mr. Nizer: Right.

The Court: Is this a second letter?

Mr. Nizer: Yes. July 22nd.

Mr. VanVoorhis: The first letter showed quick assets excessively built of 14 million, 47 million net (1325) worth including fixed assets. And by the second letter, which was dated July 22, that 47 million was increased to 67 million as the result I think of rights, which were sold in the meantime.

Mr. Greenspoon: No, they weren't sold in the meantime.

Mr. VanVoorhis: Adding something like 20 million to the 14 million of excess of quick assets over current liabilities.

Am I correct, Mr. Nizer?

Mr. Nizer: 47 million plus 27 million—67 million net worth, Judge, that's right.

Mr. VanVoorhis: Including fixed assets, right?

Mr. Nizer: Well, net worth of course includes assets.

Mr. VanVoorhis: There is no disagreement between us on the facts regarding that.

The Court: Is that second letter in evidence?

Mr. Greenspoon: Yes.

Mr. VanVoorhis: It is attached to the application.

* * *

(1326) "Q. I show you Plaintiff's Exhibit 9 for identification and ask you—"

Mr. Nizer: P123.

"Q. (P123), and I ask you if this is the first letter from the Chase Bank or a copy thereof to which you referred? A. Yes, I believe it is.

"Q. And so the second letter to which you referred as being written by Chase Bank is contained in Exhibit 74 (1237) (P130) and presumably bears date of July 22, 1965? A. Yes."

The Court: This is the letter we have been talking about?

Mr. VanVoorhis: That is correct.

The Court: Off the record.

(Discussion off the record.)

"Q. Other than Plaintiff's Exhibit 9 and the letter dated July 22, 1965, which is part of Plaintiff's Exhibit 74

(P130) was there any financial information submitted to the Kingdom of Libya prior to July 29, 1965, relating to how Occidental would finance the Libyan project? A. Well, various annual reports of Occidental were submitted to the Ministry of Petroleum Affairs, and to other Libyan authorities.

"The question as to how specifically Occidental would finance the Libyan projects were never discussed with me by Mr. Kabazi. In my many, many meetings with Kabazi prior to the submission of the bids and subsequent to the submission of bids and prior to the awarding of the concessions, neither Kabazi nor any of his associates ever once inquired as to how we would finance their—never once did they mention the name of Allen & Company—(1328) Allen, Allen & Company, and for that matter neither did Kabazi mention the name of Galic."

Continuing, offered by defendant without objection.

"Q. When you were in Libya in February 1965 other than a financial report issued by Occidental, did you file any material with the Kingdom of Libya in connection with oil concessions? A. No. I would like to interject something here. I may have misanswered a prior question. You asked me if we made any other submissions or writings to the Libyan Government regarding these bids, and we did.

"These were two letters that were written in late December 1965. At that point in time the Government had changed the Libyan petroleum law, and they requested—or they asked each of the bidding companies to notify them whether they would or would not leave their bid in force and effect under the terms of the new and amended law.

* * *

(1329) "Q. In other words, it is your testimony that you filed absolutely no material that either on your February trip or your late spring trip, with the Kingdom of Libya, in connection with concessions, other than Occidental's financial statement? A. And all the papers required for registration.

"Q. And the registration papers. But other than those two items you filed absolutely nothing with the Kingdom of Libya? (1330) A. That is to the best of my recollection correct.

"Q. Do you know whether Mr. Hammer or any other officer, agent or employee of Occidental filed any papers with the Kingdom of Libya prior to July 29, 1965, excluding the informal submission, the registration papers, and the financial statement issued by Occidental? A. Not to my knowledge.

"Q. And no one ever told you about that? A. That is correct.

"Q. Did anyone ever tell you that any such papers were filed which contained the name of Galic? A. No.

"Q. Or Allen & Company? A. No."

Plaintiff continuing to read.

"Q. I notice, Mr. Vaughan, that Plaintiff's Exhibit 74 (P130) is an unexecuted copy of the bid. Do you in fact have an executed copy? A. The other two originals may or may not be executed. We were operating in great haste in order to complete this bid and get it in on time. We signed these—we completed the work on the bid in Tripoli, and in fact we just barely got the bid in on time. I think we handed it in about five minutes to twelve, twelve noon being the (1331) deadline on July 29th. It is entirely possible that even the other two originals were not actually signed.

"Q. Were you and Mr. Hammer in Libya? A. Yes.

"Q. On July 29, 1965? A. Yes.

"Q. Were there any other agents, officers or employees of Occidental of Libya, or Occidental, in Libya at that time? A. C. James Blom.

"Q. Anyone else? A. Those were the only employees.

"Q. Did you and Mr. Hammer and C. J. Blom work on the finalization of Plaintiff's Exhibit 74 (P130) or the bid as submitted? A. Yes.

"Q. Together with an interpreter, I suppose? A. Most of the interpreting had been done in the United States. It was done in Washington, D. C., I believe. The only document that had any translation done in Libya might have been some of the bid numbers—the block numbers on the application pages of the bid."

Passing from Line 18 on Page 162 to Page 163, (1332) Line 6, read at the instance of defendant, but without objection.

"Q. Did you or did Mr. Lawler select the blocks for which Occidental was going to bid? A. I selected the blocks.

"Q. Did you do that in consultation with Mr. Lawler? A. I did not.

"Q. Did you ask Mr. Lawler's advice as to which blocks that you should bid for? A. I did not.

"Q. Did you have any discussion with Mr. Galic or Mr. Ogbi or Mr. DeRovin concerning what blocks you should bid for? A. I did not.

"Q. I notice in Plaintiff's Exhibit 74 (P130) for example, that there is a letter dated July 18, 1965, over the typed signature of Richard H. Vaughan, vice-president of Occidental of Libya, Inc. I ask you, did you physically sign the original of this? A. Yes, I did.

"Q. In the second paragraph of the cover letter dated July 29, 1965, you state that 'Should your Excellency or any other Minister desire to have further clarification (1333) or discussion of any aspect of your proposal'—

that you would be pleased to make someone available to discuss the matter with him. Do you see that? A. Yes.

"Q. Did the Minister of Petroleum Affairs or any other Minister or any other official of the Libyan Government ask you for such further clarification or discussion? A. Yes.

"Q. Who was that? A. On July 31, when the bids were opened in the presence of the high officials of the Ministry of Petroleum Affairs and the management of the other bidding companies, Mr. Kabazi requested that I come to the head table to explain to him some of the aspects of our bid.

"This was rather significant because some forty companies, as I recall, had bid, that the bids were opened in the order in which they were submitted and inasmuch as ours was next-to-the-last bid to be turned in, it was next to the last to be opened.

"In all the preceding bids that were opened, Mr. Kabazi had not requested any explanation or clarification.

"Our bid was quite voluminous. We wrapped the (1334) bid in bright white paper and crossed with ribbons with the colors of the Libyan flag, red, green and black.

"This created quite a bit of comment and stir at the opening, and in fact before Mr. Kabazi opened the bid he made a comment to the effect that 'I hope what is inside will be as good for Libya as are the ribbons on the outside.'

"When he opened the bid he made some comment about our agricultural participation, and he said, 'Oh, that sounds very interesting. Could you tell me a little bit about that?'

"So I stepped forward and explained a little bit about that.

"He said, 'I see you are going to consider an ammonia plant.'

"I spoke a little bit about that.

"Frankly, we were very enthused at this point, because we had received a little—we had received an overt expression of interest in our bid that had not been expressed in prior bids.

"Q. When you say 'we were very enthused,' who were the 'we'? A. Mr. Blom and myself.

(1335) "Q. Mr. Hammer had already left? A. Right.

"Q. You say you explained to him about your agricultural participation? A. Yes.

"Q. Was this explanation given publicly so that others could hear it? A. It was a very abstracted explanation, because the contents, the detailed contents of the individual bids, were not revealed at that meeting. In fact, they were never revealed—never have been publicly revealed.

"So Mr. Kabazi was rather discreet in his questions, and I was rather discreet in my answers, to keep them general, but yet convey to him what we were trying to say.

"I was not making a speech before the whole group. I was leaning forward and speaking directly to Kabazi.

"Q. What did you say to Mr. Kabazi in these general terms? A. I told him that the bid provided for a portion of Occidental's profits to be directed toward the agricultural development of the Kufra or other Oases (1136) in Libya.

"As I recall, I did not mention the percentage of our profits that would be so earmarked. That was visible on the page so he could see that.

"I discussed our Oxytrol project and I discussed the ammonia project, about which I had had many prior discussions with Mr. Kabazi and other members of the Libyan Government.

"Q. Did you discuss your Kufra or agricultural proposal with any officials of any other oil company? A. This is up to this time?

"Q. After this stir had been created in the room which you commented about—after the bid was opened, in other

words? A. The president of one of the other companies overheard my comments to Kabazi, and in fact he turned to one of his associates and said, 'Why the hell didn't you think of that?'

"Q. What oil company was that? A. Mobil Oil.

"Q. And who in Occidental, if anyone, determined upon this agricultural project at Kufra or other Oases? A. I believe that was Mr. Hammer's idea. The first that I heard of that specific suggestion was in fact (1337) on an airplane flying between Los Angeles and New York en route to Libya while we were preparing the bid.

"We flew from California to New York, spent several days here, had some of these documents translated in Washington, and went on to Libya.

"That was the first time I had heard of that.

"Q. And then that was some time in July 1965? A. Yes."

Continuing, defendant offering, but without objection.

"Q. Did Mr. Hammer indicate to you that he had obtained this idea from someone outside of Occidental? A. Mr. Hammer did not indicate to me where he obtained this idea, or whether it originated with himself.

"I will only say that from the beginning our attention had been focused toward the agricultural field as an area in which our bonus bids would probably be concentrated or focused. But the specific idea of developing this oasis was news to me.

"Q. In other words, being news to you I can assume then, can I not, that you had not discussed this Kufra oasis, or any other oasis, with any Libyan official or with Galic, DeRovin or anyone else prior to the date you heard (1338) about it when flying from Los Angeles to New York? A. Correct."

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Passing from Line 20 on Page 169 to Page 171, Line 20, plaintiff reading:

"Q. Would you find for me in Plaintiff's Exhibit 74 (P130) a two-page or a three-page formal submission to which you made reference earlier? A. Actually the correct title for that is the application for concession contract.

"Q. And that is Form No. 2? A. Yes.

"Q. Of Plaintiff's Exhibit 74 (P130)? A. Yes.

"Q. Is this some sort of a printed form issued by the Libyan Government which you then fill in the answers to? A. Yes.

"Q. In other words, this form was not made up by Occidental but it is a standard form utilized in these concession bids? A. Yes.

"Q. Do you know a man by the name of Ibrahim Musa? A. No.

"Q. Where is the questionnaire to which these answers reply? (1339) A. I am not sure that we still have the original questionnaire.

"Q. I note here in answer to question numbered 6, under (a) it says 'Areas numbered 42b and 43.'

"I take it, then, that question was: What areas are you bidding for, is that correct? A. Yes.

"Q. And then down below that it says, 'Or (b) areas numbered 43, 44 and 47.' Were they an alternative to areas numbered 42B and 43? A. Yes. Companies had the option to bid on individual blocks or onto a group of blocks.

"Q. In other words, was it your understanding that if you obtained 42b and 43, that you would not be considered for 44 and 47? A. That was the way we presented our bids.

"Q. Under No. 8, that is, answer No. 8, Form No. 2, Exhibit 74 (P130) are these the special projects to which you referred earlier? A. Yes.

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"Q. Is it a fact that this particular group of concessions did not require the surrender or relinquishment of 25 per cent up to a point where you had relinquished 75 per cent of the concessions? (1340) A. I believe what you are referring to are the provisions of the petroleum law on relinquishment. Under the petroleum law 25 per cent of all concessions have to be relinquished after five years, another 25 per cent after the eighth year. Libya is divided into four zones, numbers I, II, III and IV, and in two of the four zones the tenth year relinquishment cuts back the acreage to 25 per cent of the original area.

"In the other two zones the tenth year relinquishment cuts the acreage back to 33-1/3 per cent of original area.

"I believe that all of those blocks bid on fall within the 33-1/3 per cent area rather than the 25 per cent area.

"Q. Is Occidental of Libya a Libyan corporation or a Delaware corporation? A. A Delaware corporation.

"Q. Is there any corporation of Occidental which is a Libyan corporation? A. No.

"Q. I believe you told us that you then made your third trip to Libya in late spring of 1965? A. Yes. (See corrected answer at Pages 323-324.)"

(1341) Reading for plaintiff now.

"Q. And you suggested that it was possibly April or May 1965, is that correct? A. Yes. I don't remember the exact date, but I am reasonably sure that I went to Libya one more time before the July trips, when we handed in the bids.

"Q. On that occasion how long were you there? A. As I recall, that was a shorter trip, just a matter of a few days.

"Q. What was the purpose of that trip? A. It must have been basically to obtain additional technical geological information, and again I probably visited the U. S. Embassy, and saw the Ambassador.

"By this time a new Ambassador had been imported—a new Ambassador had been appointed to Tripoli, and this was Mr. David Newsom, and also a new petroleum attache, Mr. Basil Brown—and his name is spelled Basil or Bazil—I have forgotten which.

"Q. Yes? A. And I had discussions with them and I undoubtedly stopped at the Ministry and had discussions with either Kabazi or Geroushi.

"Q. Geroushi was an employee in the Ministry of Petroleum? (1342) A. Yes.

"Q. On that trip did you meet DeRovin, Ogbi or Galic? A. I met Ogbi because, as I recall, it was about this time that he was finally completing the registration of the company, and we were anxious to get the final papers showing that we were in fact officially registered.

"I am sure I did not meet DeRovin, and I think that this was probably the trip when I saw—or possibly the trip when I saw Galic in Libya again.

"Q. You have mentioned a registration of the company in Libya. I assume that you meant Occidental of Libya and not Occidental Petroleum Corporation, is that correct? A. Correct."

Passing from Line 19 on Page 176 to 177, Line 5—may we stipulate 177?

Mr. Nizer: I think that may be helpful because registration is so unusual. You asked for it.

Mr. VanVoorhis: All right.

"Q. What do you mean by 'registration of the company in Libya'—that is, Occidental of Libya in Libya? A. The purpose of the registration was to qualify the company to do business as a petroleum exploration (1343) and producing company. This involved the presentation, the registration of all corporate documents in both English and Arabic.

"This includes the articles of incorporation, the bylaws, the incumbency certificates, and the special power of attorney.

"Q. What is an incumbency certificate? A. It was the list of officers and directors.

"Q. Is this registration involved in lengthy procedure? A. Yes, sir, it certainly is. It took many months of trips to the offices of many different Libyan agencies, different ministries and bureaus in both Tripoli and Benghazi, and these various and sundry papers largely have to be filed with each of the various agencies.

"Q. By agencies, do you mean ministries? A. Ministries and there was one that had a title something like a Tripolitania Bureau of Commerce, and Cyrenaica Chamber of Commerce, or something similar to that.

"Q. I may be wrong, but I believe you had already heard of the name of Khogia at this time, is that correct? A. Yes.

(1344) Mr. Nizer: That was not submitted. Read it if you wish.

Mr. VanVoorhis: It is noted here as submitted.

Plaintiff reading:

"Q. Were you told between let's say February and May 1965 that Khogia was of no importance in helping to get concessions? A. I don't believe that the name of Khogia ever came up again beyond the time that it was mentioned to me originally by Galic. (See rider attached.)

Line 18.

"Q. Did you inquire into the political situation in Libya in your spring trip in 1965 with reference to whether or not it affected the ability to obtain concessions? A. Yes, I inquired as to whether the new government at about this point in time, that Muntasser was relieved of power, due largely to Mr. Muntasser's health, and a new Prime Minister was installed who selected a new Cabinet, and I inquired as to whether this change of government would accelerate or delay or otherwise affect the calling for bids.

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"Q. Was Mr. Kabazi a Minister under the old Muntasser government? A. Yes.

"Q. Did he continue to be the Minister of Petroleum (1345) after Muntasser resigned as Prime Minister? A. Yes.

"Q. Do you know when Mr. Muntasser resigned as Prime Minister or Premier? A. No, I don't know the date.

"Q. Was it before July 29, 1965? A. Yes. It was some time in the spring of 1965.

"Q. At the time that you went to Libya with Mr. Hammer in July 1965, did you have any discussion with him concerning Allen & Company? A. No.

"Q. Did you have any discussion with him concerning DeRovin? A. Yes.

"Q. What did he say about DeRovin? A. Well, by this point in time, this lengthy police report had been submitted to us, and showing what a swindler and international embezzler and imposter and traitor that this great General DeRovin, this friend of Galic's really was.

"Q. When had you seen this report for the first time, if you ever did? A. I am not sure that I saw the report at this time. I heard about it some time in the spring of 1965, and (1346) maybe in reviewing some of these papers the other day it might have been the first time that I saw the report.

"Q. Did you, when you were in Libya in April-May 1965 make inquiries concerning DeRovin? A. No, because DeRovin and his activities were never within my bailiwick.

"Q. Did Mr. Hammer ask you to make inquiries about DeRovin? A. He did not.

"Q. When you were enroute with Mr. Hammer to Libya, did you have any discussion about Galic? A. No.

"Q. Did Mr. Hammer tell you that he was contemplating, or had already discharged DeRovin? A. I don't believe so.

"Q. By the way, can we fix a date when you flew from Los Angeles to New York enroute to Libya in July 1965?

A. I would guess that it was within a week of the time the bids were submitted.

"Q. Would it be a fair statement to say that it was probably not earlier than July 20, 1965? A. I would say probably not earlier than July 15, 1965.

"Q. Did Mr. Hammer tell you that he was contemplating (1347) writing a letter to Allen & Company or had already written a letter to Allen & Company concerning Libyan concessions? A. He did not.

"Q. Did you see at that time, in July 1965, any letter which Mr. Hammer had written to Allen & Company concerning Libyan concessions? A. I did not.

"Q. Did you see any telegram or any letter which Mr. Hammer had written or sent to Galic at that time? A. I did not.

"Q. Did you see any letter or telegram which Mr. Hammer had sent to DeRovin at that time? A. No.

"Q. Did Mr. Hammer tell you that he had terminated with Ogbi at a London meeting in June 1965? A. No.

"Q. By the way, were you in London in June 1965? A. Not to the best of my recollection.

"Q. Is it your best recollection that of Galic, DeRovin, Ogbi and Allen & Company, the only one that you discussed with Mr. Hammer at that time was DeRovin? A. No, I discussed Mr. Ogbi's work on the registration.

(1348) "Q. On your trip to Libya from Los Angeles? A. Yes, because as you will note in the formal bid application, each company had to submit the name of the Libyan agent who had registered, and this, of course, had been Ogbi in our case.

"Q. What did you and Mr. Hammer discuss about Ogbi at that time? A. Only that his special power of attorney to register and protocolize Occidental of Libya was being included as part of our formal bid application.

"Q. This was the sole discussion you had about Ogbi with Mr. Hammer at that time in July 1965? A. To the best of my recollection, yes.

"Q. Did Mr. Hammer mention that Galic and he were in a dispute at that time? A. He did not."

Now passing from Line 4, Page 184 to Page 186, Line 11, offered by defendant but without objection.

"Q. Did you make a written report to Mr. Hammer concerning your April-May trip? A. No.

"Q. Did you make an oral report to him? A. Probably.

"Q. What is your best recollection? (1349) A. Yes.

"Q. What did you say to Mr. Hammer in your oral report to him and where did you make this oral report? A. Probably in Los Angeles, and this report probably was of the status of the registration. This report probably also told of my increasing enthusiasm for the geological potential of Libya, and it probably also pointed out to the doctor that despite my enthusiasm for the geology, that there were great risks involved, that there was no assurance that even though we knew more about the geologist, that our bid would be successful, that there were obviously going to be many companies bidding.

"And it probably also pointed out that even if we were successful in obtaining a concession, there was still enormous risks involved as to whether oil would or would not be found.

"About this time I had learned the magnitude of expenditures that some other companies had made in Libya, and had been totally unsuccessful in their efforts—both the Shell Oil Company and the Gulf Oil Corporation had spent in excess of $50 million in Libya and had absolutely nothing to show for it in the way of commercial production.

"Q. $50 million each? (1350) A. Each. And the French company, Compagnie, France de Petrol, had probably spent in excess of $25 million, without any success.

"I wanted him to realize that it was possible to, one, not obtain the concession, even after all of this work, and two, even if we obtained the concession, that still—we could still have a failure.

"Q. You indicated that you probably told Mr. Hammer these things. Is it your best recollection that this is what you told him? A. Yes, it is, because it was at about this time that I had learned of the magnitude of these expenditures by the other companies, and I found this rather startling.

"Q. What did Mr. Hammer say in connection with the magnitude of expenditures which you mentioned to him? A. I remember that he said, 'You had better select the right blocks.'

"Q. Did he tell you that he had no problem raising financing, that Allen & Company was behind him? A. He did not.

"Q. Did he mention Allen & Company in connection with financing at that time? A. He did not.

(1351) "Q. Did you ask Mr. Hammer where he planned to get the financing from? A. I did not.

"Q. Did he mention to you where he planned to get financing from? A. He did not.

* * *

(1353) "Q. I show you a document which has been previously marked Plaintiff's Exhibit 36 for identification"—

Mr. Greenspoon: That is Plaintiff's Exhibit 80 on the trial.

Mr. VanVoorhis: "—and I ask you if that is your signature annexed hereto.

"A. It is, yes.

"Q. And that is the signature of Mr. Ogbi, is it? A. I don't know.

"Q. Did he sign it in your presence? A. No.

"Q. Was the document signed when you signed it—signed by Mr. Ogbi? A. No.

"Q. In other words, you signed it without a signature by Mr. Ogbi and delivered it to him? (1354) A. Mr. Brenner delivered it to him.

"Q. Where did you give this to Mr. Brenner? A. Mr. Brenner was in Tripoli at this time.

In fact Mr. Brenner wrote this letter and asked me to sign it.

Mr. Brenner was not an officer of Occidental of Libya or of Occidental, and that I had been instructed to give any assistance to Brenner that I could.

We were staying at the same hotel and Brenner had this letter typed and brought it to me and asked me if I would sign it.

I read it and signed it.

"Q. Did you have a meeting with Ogbi on Saturday morning preceding February 15, 1965? A. I think that is probably referring to a meeting that Brenner had with Ogbi.

"I have no recollection of having a meeting with Ogbi.

"Q. Did you have a meeting with Ogbi in his offices in Tripoli at which Galic was present? A. I was in Mr. Ogbi's offices in Tripoli, but I don't recall that Mr. Galic was ever present at any of those meetings.

"Q. Was deRovin present at any of those meetings? (1355) A. I have no recollection of his being present.

"Q. In the second paragraph you say:

'We wish to confirm that we propose to work exclusively through you and your channels in this endeavor.'

"Do you say that language is written by Mr. Brenner? A. Yes.

"Q. Did you ask Mr. Brenner what was meant by 'your channels in this endeavor'? A. No.

"Q. Did you understand that 'this endeavor' related to oil concessions in Libya? A. Well, I was not sure what all was included in the term 'this endeavor'.

"Q. Did Mr. Brenner tell you the purpose of this agreement, Plaintiff's Exhibit 36 for identification? A. Yes.

"Q. What did he tell you the purpose of it was? A. He said that Mr. Ogbi was very upset with the activities and actions and statement from Brenner that the understanding that Ogbi had had with Occidental and Dr. Hammer still in effect.

"Q. You did learn at this time, did you not, when you signed Plaintiff's Exhibit 36," P80 "that Ogbi did (1356) have an agreement with Occidental which was made in September 1964? A. Yes, but I didn't know what the agreement was.

"Q. Did you ask Mr. Brenner about it? A. No. As I recall, Mr. Brenner didn't have a copy of that agreement.

"Q. I take it that you read Plaintiff's Exhibit 36 before you signed it? A. Yes.

"Q. Did you ask Mr. Brenner any questions about it? A. I recall that it was about the controversy between Ogbi and Galic that the letter was written, and I think the third paragraph points that out quite clearly.

"It says: 'For the sake of clarity and to avoid any possible future misunderstandings we must point out again that any statements or representations regarding subject matters by any entity of any nationality other than by the employees of Occidental Petroleum Corporation or its subsidiaries will be without our knowledge and/or consent.'

"I am sure that that was referring to Mr. Galic.

(1357) "Q. You also point out in Paragraph 2 of this letter as follows: 'We further expect through your efforts to obtain the maximum possible number of selections that we shall so finally designate, but not less than three.'

"Do you see that? A. Yes.

"Q. Was Mr. Brenner the author of that language? A. Yes.

"Q. Did you discuss that language with Mr. Brenner? A. Not before it was written.

"Q. I mean after you saw it, at the time you signed it. A. Perhaps.

"Q. Did you understand what he meant by 'number of selections'? A. He was probably referring to concessions.

"Q. In other words, he wanted not less than three concessions, is that right? A. That is what it would imply.

"Q. But is that what you understood at the time you signed this letter, Plaintiff's Exhibit 36 (P80)? A. Probably.

"Q. Did you understand what efforts were being referring to in Plaintiff's Exhibit 36 (P80) when you (1358) signed it? A. No.

"Q. Did you ask Mr. Brenner? A. No.

"Q. Did Mr. Brenner tell you? A. No.

"Q. Did you ever discuss that language with Mr. Ogbi? A. I don't believe so, no.

"Q. Did you discuss that language with Mr. Hammer? A. No.

"Q. Did you ask Mr. Hammer what efforts were expected from Ogbi in connection with obtaining the maximum possible number of selections? A. No.

"Q. Can you tell me why you were asked to sign Plaintiff's Exhibit 36 (p80)? A. I was the only officer of Occidental in Libya at that time.

"Q. And did you sign it pursuant to your understanding that you were to assist Brenner and sign papers that he requested you to do so? A. Yes.

"Q. Did you understand that the efforts discussed (1359) in Plaintiff's Exhibit 36 (P80) included something other than registration of Occidental of Libya? A. Neither Dr. Hammer nor Mr. Brenner nor Mr. Ogbi ever pointed out to me what the particular functions were Mr. Ogbi should be involved in.

"Q. I know, but what I am trying to find out is what was your understanding of the letter, Plaintiff's Exhibit 36 (P80) when you read it.

"You just weren't signing things just for the sheer love of signing them? A. No. Mr. Brenner and with the assistance of Mr. Ogbi was—they were working on the acqui-

sition of petroleum concessions among other things—among other activities in Libya.

"Q. Is it your testimony that you did not know what they were doing? A. That is correct.

"Q. You never asked anyone? A. That is correct.

"Q. When you left Libya did you take with you a copy, unsigned or otherwise, of Plaintiff's Exhibit 36 (P80)? A. It is my recollection that Brenner took all of these copies out with him, which was some time perhaps (1360) a week before I left, and that he then forwarded copies to Dr. Hammer.

"Q. Did you carry with you when you went to Libya stationery of Occidental Petroleum Corporation with its address at Bakersfield, California? A. I did.

"Q. Was it the stationery upon which this letter was typed? A. Yes.

"Q. In other words, you gave some of his stationery to Mr. Brenner? A. Correct."

We skip the next two questions and answers.

The Court: Page page is that on?

Mr. VanVoorhis: Page 199, to Line 12.

"Q. In the last sentence of the second paragraph of Plaintiff's Exhibit 36 (P80) you refer there to a fertilizer industry. Do you see that? A. Yes.

"Q. Can you tell me what fertilizer industry you were talking about? A. Well, at this point in time we were considering this ammonia plant to be as a possible bonus bid on (1361) Occidental's part.

"We were also considering the establishment of a mixed product chemical fertilizer industry in Libya, and there was some discussion that Mr. Ogbi would be our representative or agent for those fertilizers in the Kingdom of Libya.

"Q. Was Mr. Ogbi in the fertilizer business at that time, do you know? A. Mr. Ogbi was in the farming business at that time, and so he had some knowledge of the fertilizer industry in Libya.

"Q. Did this relate in any way to the Kufra project? A. No. At that point in time the Kufra project had not been conceived, or if it had I had never heard of it.

"Q. On the top of Page 2 of Plaintiff's Exhibit 36 (P80) there is a reference to Occidental's interest in and intention to appoint Ogbi and his firm as Occidental's representative in Libya on an exclusive basis under terms and conditions to be mutually determined during the next few days. Do you see that? A. Yes.

"Q. Was there ultimately an agreement worked out (1362) within the next few days concerning that subject matter and Ogbi? A. Yes, I believe there was.

"Q. Was that reduced to writing? A. Yes.

"Q. Do you know where that document is now? A. It was a letter that I believe is part of the—"

Mr. Nizer: You can read the colloquy, if you will.

Mr. VanVoorhis: That is as far as the answer seems to have gone.

"Q. I show you Plaintiff's Exhibit 38 for identification (which is now P213) Mr. Vaughan, and I ask you if this is the agreement which is referred to in Plaintiff's Exhibit 36 (P80) to be worked out in the next few days. A. Yes.

"Q. Did you sign Plaintiff's Exhibit 38 (P213) before Mr. Ogbi? A. Yes.

"Q. Was it presented to you by Mr. Brenner for signature? A. Yes."

Passing to the top of Page 202, Line 2.

(1363) "Q. Did you and Mr. Ogbi sign Plaintiff's Exhibit 38 (P213) in each other's presence? A. Not to the best of my recollection.

"Q. Did you give a signed copy or signed copies of Plaintiff's Exhibit 38 (P213) to Mr. Brenner to obtain Mr. Ogbi's signature? A. Yes, I believe that was the procedure.

"Q. I assume you read Plaintiff's Exhibit 38 (P213) before you signed it? A. Yes."

Skipping the next two questions, Line 18.

"Q. In Paragraph 4 of Plaintiff's Exhibit 38 (P213) there is a provision that 'Ogbi will advise Occidental step by step on how we shall best proceed in achieving these objectives.' Do you see that? A. Yes.

"Q. Was one of those objectives to obtain oil and gas concessions of your selection? A. Yes.

"Q. Did Ogbi advise you step by step on how Occidental should best proceed to obtain oil and gas concessions? A. Mr. Ogbi felt that the suggestion was that we put forth regarding this proposed ammonia plant and the (1364) Oxytrol process would be well received by the Libyan government.

"I think that he was in a position to evaluate that, because he was in the agricultural business himself.

"The various ministries that I spoke to regarding these projects agreed that these were the type of projects that they would like to see included in any proposal to the Libyan government for concessions.

"As I stated before, I had conversations with the Minister of Industry on this, and conversations with the Minister of Agriculture on this, that on some of my trips back to Libya later in 1965 I had in fact numerous conversations with representatives of the Minister of Agriculture.

"At this time the Libyan tomato industry, for one, was losing about a third of their tomato crop between the field and before they could get it to the cannery. It was rotting.

"The Oxytrol process of ours, which provided for the preservation of fresh produce by the removal of oxygen and the insertion of a nitrogen atmosphere looked like it would be something that would be very applicable to the Libyan agricultural scene.

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"We had something that seemed to be of interest (1365) to the Libyans, so we attempted to capitalize on this."

Not altogether responsive but we read it just the same.

"Q. Is this what Mr. Ogbi told you? A. Yes.

"Q. What else did Mr. Ogbi tell you pursuant to his obligations under Paragraph 4 of Plaintiff's Exhibit 38 (P 213) before you filed the bid for concession? A. These ideas that I have just discussed, that is, the ammonia project which was unique with Occidental, and the Oxytrol process, which of course was unique, because we had it patented, were not Mr. Ogbi's ideas. These were just ideas of ours that he felt would be receptive—would be well-received.

"The U. S. Ambassador felt these would be well-received.

"In fact, those Libyan officials that I talked to thought they would be well-received, and as it turned out, they were well-received.

"Q. Did Mr. Ogbi give you any advice as to how Occidental should be—should proceed to achieve the objective of obtaining oil and gas concessions other than as previously testified to? (1366) A. Well, he suggested that we should make our company known in Libya and our capabilities known in Libya, and this, of course, we did.

"We in fact had a rather elaborate film on Occidental's agricultural prowess, and our Oxytrol system, and this film was narrated in Arabic.

"Among other things, this film showed the picking and processing of tomatoes in California under conditions similar to those in Libya. It also dealt with fertilization of crops.

"This was a film that was presented at the Tripoli Trade Fair and was witnessed—attended by the Prime Minister, the Minister of Agriculture, and a number of other Libyan Ministers.

"The United States Ambassador, Mr. Newsom, visits the film, and in fact with the Prime Minister, and commented to me later how impressed he was with this and how it was a company with ideas like this who would certainly be welcome in Libya.

"Q. Was the exhibition of this film an idea of Ogbi's, which he presented to you? A. No. I think the idea of the film was in fact suggested by the U. S. Embassy.

(1367) "Q. What else, if anything, did Mr. Ogbi do to advise Occidental step by step on how it should be proceed to achieve the objective of obtaining oil and gas concessions. A. My conversations with Mr. Ogbi were very limited at this point in time, because, as I said earlier, he spoke little or no English. Other than working with him on the registration and having Mr. Blom work with Mr. Ogbi on the registration, I had very little contact or further communication with Mr. Ogbi."

Defendant now offering but without objection.

"Q. What language did Mr. Ogbi speak? A. Arabic and Italian.

"Q. Did Mr. Blom speak Italian? A. A little Italian.

"Q. Did Mr. Ogbi advise you on the activity of competitors in Libya? A. No, there was very little that Mr. Ogbi or anyone else could really advise me about in that regard, that the competitors were obviously there, that they obviously were going to bid, that there was no reluctance on the part of any of these competitors in stating that they were in fact interested, and that they would in fact (1368) participate in the bidding.

"Q. Did Mr. Ogbi advise you, that is, Occidental, of the reactions of Libyan channels to competitor offers? A. No.

"Q. Did Mr. Ogbi advise you, that is, Occidental, of any changes that might affect the conduct of Occidental's business in Libya? A. I believe he advised us that the change of government would have no significant effect

in the calling for concessions or the awarding of them, since the whole concession procedure was spelled out by amendment to the petroleum law that required that the concessions would be called for, that there would be sealed bids, that the bids would be reviewed by the Council of Ministers, and eventually approved by the King.

"The whole procedure for the awarding of concessions was a very above-board, straightforward procedure that was set out.

"That procedure had not been in effect, apparently during some of the earlier concession awards in Libya.

"I say these bids were sealed, and an example of this is when the bids were opened on July 31st, a representative from each of the companies which bid was (1369) asked to come up to the central conference table and examine the three copies of bids turned in.

"Bids had to be turned in in Tripo-i indicate—to examine each of these three copies, to be sure that the seals had not been broken, and the fact that they were untampered with between the time they were handed in on July 29th and when they were opened on the 31st.

"Each company representative had to sign that his was untampered with, and that the other representatives also declared that theirs were untampered with.

"Q. Did you sign? A. I did.

"Q. What did Mr. Ogbi do, if anything, prior to the grant of the concessions in March 1966, to make Occidental a known and respected business factor in Libya? A. Well, in all honesty I don't think Mr. Ogbi did very much in this regard.

"Q. Was it Mr. Ogbi who suggested that Occidental should try to make itself known to Libya? A. I think that is a procedure that any company going into a new country would naturally follow. I don't think that that idea was necessarily unique with Mr. Ogbi. I don't even known that it was his idea at all."

(1370) Now, the next question and answer we object to.

"Q. Whose idea was it? A. Certainly the doctor was aware of this, because it was at his suggestion that I stray out of my field, you might say—my technical field to distribute these financial reports, annual reports, to the various responsible government agencies and ministries.

"These reports, of course, kept showing that Occidental was getting stronger and stronger. We were expanding, we were imaginative, we had then acquired the Jefferson Lake Sulphur Company, and that one of the principal subsidiaries of Jefferson Lake Sulphur was Jefferson Lake Petrochemical, which is one of the largest gas processing companies in Canada.

"With this new knowhow we had acquired with this acquisition we felt that we could impress the Libyans that we had gas processing knowhow.

"Any utilization of gas was viewed very favorably by the Libyans."

Mr. VanVoorhis: Not only do we object to that on the ground that it is not responsive, but it is really simply, most of it, argument, practically all of it (1371) is just argument. We didn't object previously to Mr. Vaughan's venting what was essentially argument, because we thought it was pretty plain and apparent what was factual and what wasn't argument. I think it is especially clear here that this is merely conclusory and not responsive, self-serving.

The Court: Well, it is self-serving. I will take the answer, "Certainly the doctor—" and that refers to Dr. Hammer—"was aware of this," down to the end of the paragraph to indicate that the idea was a general one and the doctor himself had it in mind, and as to the balance of it, the witness

has testified any number of times with respect to the same subject matter.

So we will disregard the self-serving statements and the progress and success of the company as stated by the witness.

Mr. VanVoorhis: Passing to Page 213, Line 9, plaintiff reading:

"Q. Mr. Vaughan, what were the functions of Mr. C. J. Blom in Libya in 1964 and 1965? A. In 1964 he had no function in Libya.

"Q. Then we will limit it to 1965. A. Mr. Blom was a —Dr. Blom was a geologist who (1372) worked under my supervision on the Libyan project. His activities in Libya were limited to geology and to the registration of the company.

"Q. Was this true right up to the date that the concessions were granted? A. Yes.

"Q. Did Mr. Blom have any function in dealing with Mr. Lawler? A. Mr. Blom didn't deal in the sense of negotiating with Mr. Lawler.

"Q. Work with? A. He—Mr. Blom worked with Mr. Lawler in March 1965, and Mr. Blom reviewed some of Mr. Lawler's subsequent work.

"Q. Did Mr. Blom go to Libya with you during your February trip? A. Yes.

"Q. Did he go with you in your late or your spring 1965 trip? A. I don't recall.

"Q. And he was with you there in your July trip in 1965, is that right? A. Yes.

"Q. Did Mr. Blom stay in Libya when you left after (1373) your February trip? A. I don't recall for sure whether he did or didn't. I would guess that he probably left Libya at the same time I did and went to Rome.

"I know that he stayed in Rome and worked with Lawler for several weeks.

"Q. Did you ask Mr. Blom to inquire into the political climate in Libya with respect to concessions? A. No.

"Q. Do you know whether Dr. Hammer asked him to do that? A. I would be very surprised if he did.

"Q. Did Mr. Blom ever report to you that he was looking into the political climate of Libya? A. He was looking into the political climate only to the extent of wondering when the government, the new government, would announce the call for bids.

"Q. Other than that, did Mr. Blom look into the political climate in Libya? A. No, I don't believe so. (See rider attached.)

"Q. Did you leave Libya immediately after the bids were opened on July 31, 1965? A. Yes.

"Q. Did Mr. Blom stay on? (1374) A. No.

"Q. He came back with you? A. Yes.

"Q. I believe you said that Mr. Hammer had left prior to July 31st. A. Yes.

"Q. Was Mr. Blom present with you when the bids were opened? A. Yes.

"Q. Did Mr. Blom say anything at that time when the bids were opened, to Mr. Kabazi or to the assembled group of people there? A. No."

Offered by defendant without objection, Line 9, Page 216.

"Q. Whatever talking was done was done by you, Mr. Vaughan, is that correct? A. Yes.

"Q. After the bids were opened, I believe you were asked to supply some additional information or some additional material which you supplied in the late winter or late fall of 1965? A. Yes.

(1375) "Q. Do you have copies of that material? A. Yes, I believe they are exhibits. There were two letters in December 1965.

"Q. I show you Plaintiff's Exhibit 2 for identification, and I ask you if you were the draftsman of that letter?"

The trial number of the Exhibit is 156.

"A. No.

"Q. Did you participate in drafting that letter? A. That letter was reviewed with me over the telephone or read to me over the telephone before it was submitted."

The Court: Just hold it one moment, please.

(Pause.)

The Court: This refers to a letter of December 27. Where is the December 27 letter?

Mr. Greenspoon: That, your Honor, is Plaintiff's Exhibit 155.

The Court: Where are we?

Mr. VanVoorhis: Line 5, Page 217.

"A. I wouldn't know.

"Q. Did you suggest any changes? A. I don't believe that I did.

(1376) "Q. Do you know where the draft is that was read to you over the telephone? A. No.

"Q. Was a copy of this letter sent to you in Bakersfield? A. No, I don't believe it was.

"Q. You mentioned that there was another letter which Occidental supplied to the Government of Libya in December 1965. Do you recall that? A. Yes.

"Q. I show you Plaintiff's Exhibit 3 for identification and ask you if this was discussed with you before it was sent. A. Yes."

155 is the trial number of that exhibit.

"Q. Were you the draftsman of Plaintiff's Exhibit 3 (155)? A. No.

"Q. Did you participate in the drafting? A. No.

"Q. What was the discussion with you concerning Plaintiff's Exhibit 3 (155), and with whom was it hand? A. It was with Dr. Hammer. That the Ministry (1377) contacted all of the applicants and asked them whether

they would abide by the new Petroleum Laws and the doctor and I discussed this, and several days later he wrote this letter to the government.

"Q. By July 31, 1965, had Occidental, or Occidental of Libya, employed Libyan counsel? A. No.

"Q. Other than Plaintiff's Exhibits 2 and 3 (156 and 155), were any other papers filed with the Libyan government subsequent to July 31, 1965, in connection with concessions? A. And prior to when?

"Q. Subsequent to July 31, 1965, and up to the date when the concessions were granted. A. No.

"Q. Was a copy of Plaintiff's Exhibit 74 (P130), which is I believe the formal submission, submitted by you to Allen & Company? A. No.

"Q. Was it reviewed by you with Mr. Ogbi before it was submitted? A. No.

"Q. Was it reviewed by you with Mr. Galic? (1378) A. No.

"Q. Did you discuss any part of its contents with Mr. Galic? A. No."

I have now read at the instance of the defendant without objection.

"Q. Did you discuss any part of its contents with Mr. Ogbi? A. Possibly.

"Q. What is your best recollection? A. As I recall, we did. We included as one of the boiler plate exhibits —a special power of attorney of Mr. Ogbi and Ogbi Bros.

"Q. Was that the sole discussion you had with Mr. Ogbi concerning Plaintiff's Exhibit 74 (P130) for identification? A. That was the only discussion I had with him."

(1379) Plaintiff continuing to read at line 4:

"Q. I don't know whether you answered this letter or not, but up to the date the bids and the concessions were

granted in February or March 1966, did Occidental file anything other than Exhibits 2, 3 and 74?"

That is 156, 155 and 130.

"I utilized the beginning date of July 29, 1965 for that question. A. Not to my recollection, no.

"Q. You have no knowledge of any such filing? A. That is right.

"Q. By the way, were you the one who took care of the actual filing of these December letters, Plaintiff's Exhibits 2 and 3?"

156 and 155.

"A. No.

"Q. Do you know who handled that for Occidentfal? A. I believe they were mailed from the Los Angeles office.

"Q. Directly to the Oil Ministry? A. I believe so."

* * *

(1381) "Q. When you were in Libya, was there any discussion with any of the ministers concerning Occidental's financial condition and ability to work the concession? A. As a matter of fact, in all of my meetings with Kabazi, and for that matter, with the Minister of Industry, the other Libyan officials, the question of Occidental's financial ability was never really questioned by the Libyans.

"Kabazi, who, of course, was the Petroleum Minister and the ministry that I had the most contact with, never once mentioned Allen & Company or Occidental's sources of outside financing, or even if outside financing would be required for our Libyan activities.

"This was a subject that was never brought up.

"Q. Did you and Mr. Hammer see Mr. Kabazi together (1382) in October 1965? A. I don't recall.

"Q. Did you see Mr. Kabazi in October 1965? A. I don't even recall that for sure."

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Continuing reading at the instance of defendant, without objection:

"Q. Whom did you see, if anyone, when you were in Libya in October 1965? A. I saw the U. S. Ambassador and the petroleum attache, and I certainly visited the Petroleum Ministry to find out what the status of the bids was.

"We were informed that the Government was not going to review or evaluate the bids at this time because they had decided to attempt to legislate a revision of the petroleum law, and that had such a profound effect on the industry and on the ministry that any action on the bid applications would be deferred indefinitely.

"Q. In this connection had you asked Mr. Lawler or Mr. Brenner to ascertain when or if the bids would be acted upon? A. No.

"Q. When you were there in October, did you see Mr. Galic? A. I don't believe so.

(1383) "Q. You say you were there for only a few days? A. Yes.

"Q. Did you do anything else while you were in Libya, other than as previously testified? A. At that time—on that trip, I again visited the Agricultural Ministry and met a young Libyan with a name that was phonetically similar to Hairi, but it probably began with a 'kh'.

"He had been trained in one of the southwestern states, New Mexico or Arizona, and was familiar with agricultural techniques there that would be similar to those that would be applicable in Libya, and he was familiar with our fertilizer operations.

"Our best fertilizer division operated in that part of the United States. So he was aware of our competence in the field of agronomy.

"Q. Is that what he told you? A. Yes.

"Q. Go on. A. That was about the extent of my recollection of those conversations."

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Plaintiff continuing to read, line 19.

"Q. I take it that you were not always with Mr. Hammer when you went around in Libya in October, 1965: (1384) is that right? A. Right.

"Q. Did Mr. Hammer tell you what he was doing in Libya in October 1965? A. He did not."

Passing from line 25 on page 226 to page 227, line 16, plaintiff reading:

"Q. To your knowledge, had Mr. Hammer met Mr. Kabazi by October 1965? A. I don't know.

"Q. Sir? A. I don't know.

"Q. Did he ever tell you? A. I don't believe he did.

"Q. Did Mr. Hammer tell you, after July 1965, and let's say up through October 1965, as to whether or not he was involved in a dispute with Galic? A. No. And in thinking back here, I don't think that Hammer had met Kabazi up to that time.

"Q. I take it, then, that your answer is that he did not mention a dispute with Galic to you at any time up to October 1965? A. Yes."

Passing now to line 24 on this page, page 228:

(1385) "Q. When was your next trip to Libya after October 1965? A. February 1966.

"Q. With whom did you go, if anyone, on that occasion? A. Dr. Blom.

"Q. How about Mr. Hammer? A. No."

Defendant offering, without objection, except as to be stated:

"Q. What was the purpose of this trip? A. The new petroleum law had been put into effect, and the Ministry notified the applicants that they were again going to take up consideration of the bids, and they hoped that a decision would be forthcoming within the near future. And with that in mind, we went to Tripoli.

"Q. How long were you there on that occasion? A. For approximately six weeks.

"Q. Beginning when and ending when? A. From about mid-February until the end of March.

"Q. And what did you do in Libya during that six-week period? A. During that period the awards were announced by the Council of Ministers, and I had conversations, (1386) of course, immediately with the Ministry, with Mr. Kabazi, with other people in the Ministry."

Now, this part we think is subject to objection and object to it:

"We were, of course, delighted that we had been awarded two concessions, and that the merit of our bid was such that we clearly had been awarded the first choice concession.

"It was the special projects that we had dreamed up and included in our Libyan proposal that had swayed the Council of Ministers in favor of Occidental.

"Q. Who told you that? A. That was told to me by the Ambassador, the United States Ambassador.

"That was told to me by a number of people in the Ministry of Petroleum Affairs, and I believe that was told to me by Mr. Ogbi."

Now, those conclusions, that it was the special projects they dreamed up that swayed the Council, is completely his own conclusion and is self-serving and is not responsive to the question, which is, "What did you do in Libya during that six-week period?" And it is hearsay also.

The Court: You are probably right, and you are (1387) right, but the fact of the matter is that this witness has already testified that when the bids were opened he was called up by the Minister of Petroleum, Mr. Kabazi, who made direct inquiry with respect to several of the special projects that

were included in the bid and in fact isn't there testimony that the bids of one of the oil companies turned to one of his representatives who was there and asked him, "Well, why didn't you think of that?" So what are we arguing about?

Mr. VanVoorhis: It was purely his opinion.

The Court: I sustain your objection and that portion may be stricken. I call your attention to the fact that there is no significance to granting your motion at this point because it is in the record already.

Mr. VanVoorhis: Line 13—

The Court: Let me make a note of what I am striking. I suppose one could almost take not judicial notice, but practical notice that anybody who received acceptance of his bid would be delighted on the occasion, couldn't we?

Mr. VanVoorhis: Yes, I think in this instance we can take notice of that.

The Court: Beginning at the bottom of the page, "the merit of the bid," and so forth, down to the end of (1388) that answer, will be stricken.

Mr. VanVoorhis: Page 230, line 13:

"Q. Was it told to you by Mr. Kabazi? A. I believe it was. I saw Mr. Kabazi frequently during this period.

"Q. Before you left for Libya, had you learned that Occidental was going to be awarded the two concessions that it was awarded? A. No.

"Q. In other words, the happenstance that the awards were granted while you were there was purely coincidental? A. No.

"Q. You went to Libya before the announcement of the awards; isn't that right? A. Correct.

"Q. And after they had announced the change in the effectiveness of the mineral law, isn't that right? A. Yes.

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"Q. What then persuaded you to go to Libya at that time is what puzzles me. A. We were informed that the Council of Ministers were again considering the awards, and that the Council of Ministers were going to announce the successful (1389) applicants momentarily.

"Q. Who advised you of that? A. I don't recall who specifically advised us of that, but this was pretty common knowledge in the oil patch at this time—in the oil industry."

Defendant offers next, without objection, except as I shall stated it:

"Q. Did Mr. Ogbi advise you of this? A. I don't believe so.

"Q. How about Mr. Galic? A. No."

Now, lines 20 through 25:

"Q. Did this information reach you—"

And I don't think that is anything but colloquy, so far, anyway. I think that is just colloquy.

Top of page 232, the answer on line 7—well, that is preceded by a colloquy between Mr. Nizer and Mr. Greenspoon:

"Mr. Nizer: No, I said previously, and I believe your dates will show that that was also at this period.

"Mr. Greenspoon: I know that.

"Mr. Nizer: All right."

Then the witness goes on:

"A. That is right. That was another reason for the (1390) timing of our visit, that the Tripoli International Trade Fair was on at this time, and we were presenting this film on Occidental's agricultural experience."

* * *

(1391) "Q. Weren't the awards announced before you showed this film in Libya? A. No.

"Q. Weren't the awards announced on February 22, 1966? A. I don't recall the exact date, but that is approximately right."

The Court: Off the record.

(Discussion off the record.)

Mr. VanVoorhis:

"Q. And you left from the United States on February 15th? A. It might have been as early as February 10th.

"Q. And it might have been as late as February 20th; isn't that so? A. No, no.

"Q. But in any event, you are sure that the exhibition of this film at the trade show was before the awards were announced? A. Yes, I believe so, because we were having really great difficulty getting this set up.

"Our—all of the American exhibits were under the jurisdiction of the U. S. Embassy there, and there was a Commerce Department representative, and I believe that (1392) that, in fact, might have precipitated the exact timing as to our arrival.

"It was getting our exhibit ready for the trade fair.

"Q. How were you notified that Occidental had been awarded these two bidding blocs or concession blocs? A. It was announced over the government radio station in Eastern Libya, and then rebroadcast over the stations in Western Libya, and the word spread immediately throughout the people in the oil industry in Libya that the awards had been announced.

"Q. I believe you were with Mr. Hammer at the time? A. No.

"Q. He was not there?

"What did you do after the awards had been announced, that Occidental had one two concessions?"

Mr. Greenspoon: I think that word should be won, w-o-n instead of o-n-e.

Mr. VanVoorhis: Yes, that Occidental had won two concessions.

Continuing:

"A. Drank the ebber part of a bottle of champagne.

"Q. I mean in the line of completion of the concessions. (1393) A. During the course of the next month I met almost daily with various representatives of the Ministry of Petroleum Affairs, that we attempted to get our bid into contract form, and this required considerable negotiation on some points and discussion about interpretation.

"There were translation problems, translation problems, and I had at this time obtained an option on a digital seismic crew, which then happened to be the only digital seismic crew in North Africa, Europe or the Middle East, and I was very anxious to get these concessions signed up so that we could actually commence work and I would not lose hold of this digital crew.

"Q. Did you employ Libyan counsel at that time? A. No.

"Q. Did Mr. Ogbi assist you in this work? A. No.

"Q. Did you see Mr. Galic in Libya during February 1966? A. I don't believe so.

"Q. Did you visit with Mr. Ogbi in February-March 1966? A. Yes, I saw Mr. Ogbi during that period.

"Q. What was the point of that meeting? A. It was essentially a social meeting, as I recall, (1394) that Mr. Ogbi in fact invited me over to his home for dinner, which is the first time that I had been present in his home.

"Q. Was there any discussion of the concessions and of the awards at that time? A. Oh, yes."

So much we don't object to, but this part is subject to our objection:

"We were, of course, very enthused and delighted that we had been awarded these, and Mr. Ogbi—I think it was

probably at this time that he pointed out again the merits of these special considerations that we had included in our bid, that is, the Oxytrol process for the preservation of perishables, the ammonia projects, and now the Kufra agricultural project.

"And this Kufra project had been a politically very adroit thing to include because the King's father, I believe it is, or some of the King's relatives, are buried in Kufra."

We object to that on the same grounds as before. It is eloquence again, it is summing up, it is argumentative, it is conclusory, hearsay, not responsive. The question was simply was there any discussion of the concessions, and the question could be answered by "Yes."

(1395) Mr. Nizer: There is more to that, before you object to it, beginning on Line 18. You didn't finish the reply.

Mr. VanVoorhis: I think we object to the whole answer.

The Court: Well, if you strike the whole answer, the "Oh, yes," doesn't tell you the nature of the discussion, unless you followed it up.

Mr. VanVoorhis: It wasn't asked for the nature—

The Court: "Was there any discussion of the awards at that time?" And are you suggesting I strike the balance after "Oh, yes"?

Mr. VanVoorhis: Other than "Oh, yes."

The Court: It seems to me that the last paragraph isn't a matter of opinion or a self-serving declaration. The specific naming of Kufra, he thought, which evidently refers to Ogbi, had been a wise decision because although the Council of Ministers had to select the winners decided on the merits, that the King apparently had a final veto approval of bids before they were announced. That evidently refers to the conversation.

Mr. Greenspoon: I think we ought to accept that last paragraph.

Mr. VanVoorhis: "And although there are many (1395a) oases in Libya that would have been suitable for agricultural development, the specific naming of Kufra, he thought, had been a wise decision, because although the Council of Ministers had to select the winners, decide on the merits, that the King, apparently, had final veto approval of the bids before they were announced."

(1396) Mr. VanVoorhis: All right, we will continue, Page 236, Line 6, next page.

"Q. Was there a formal written contract signed between Libya and Occidental? A. Yes.

"Q. Did you execute that contract on behalf of Occidental? A. Yes.

"Q. Was it Occidental Petroleum or Occidental of Libya? A. Occidental of Libya.

"Q. Do you have a copy of that contract? A. It is all in Arabic.

"Q. Do you have an English translation of that contract? A. We have several English translations of that contract."

Passing from Line 21 on Page 236 to Page 237, Line 23.

"Q. I believe you mentioned, Mr. Vaughan, that the contract or copies thereof were in a bank vault in Libya? A. Yes.

"Q. Is that right? (1397) A. Yes, the originals.

"Q. Is that a bank vault which is leased by or utilized by Occidental of Libya and Occidental Petroleum Corporation? A. Occidental of Libya.

"Q. In other words, these are your records, not government records in this bank vault? A. Yes."

Now skipping the next.

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"Q. Are there files in Libya concerning Occidental's applications or application for concessions and correspondence between Occidental and the Libyan Government in connection therewith?"

Mr. Nizer: I beg your pardon, that has been stipulated in and I think it has some importance.

Mr. VanVoorhis: All right, we will read it then.

Mr. Nizer: Lines 12 and 13.

"Q. What kind of records are kept by Occidental in this bank vault in addition to the contract? A. To my knowledge, the only things in the bank vault are the concession contracts, the concession agreements, and the bankers' guarantees in the magnitude of (1398) of 50,000 Libyan pounds per concession issued by Barclays Bank DCO.

"Q. Are there files in Libya concerning Occidental's applications or application for concessions and correspondence between Occidental and the Libyan government in connection therewith? A. The Libyan files, the files of Occidental of Libya commenced after the signing of the contracts, and as we didn't have an office until that time, and there is nothing in those files that pertains to the period prior to the awarding of the concessions.

"Q. Other than the contracts themselves? A. Yes.

"Q. Is there anything in the Libyan files relating to Allen & Company? A. I would doubt it very much.

"Q. Or relating to Galic? A. I would doubt it.

"Q. Where physically is this bank vault or our files in Libya? A. The bank vault is in Barclays Bank in Tripoli, Libya.

"Q. Where are your files in Libya? A. They are in the Mitchell Cotts Building.

(1399) "Q. In connection with your working out the ultimate contract which was signed in March 1966, was there any question raised about financing? A. No. The question of financing never came up other than the ques-

tion of the bankers' guarantee in the amount of 50,000 Libyan pounds for each concession was required by the concession agreement and by the petroleum law, and this was just a matter of obtaining this bankers' guarantee.

"Q. Was there any discussion about how much it was going to cost Occidental for its seismograph work and its development work—"

Mr. Nizer: Before that, don't you want to have the exhibits in connection with that answer? It is D1 and 2.

Mr. Greenspoon: Have you got the English translations?

Mr. Nizer: Yes.

I offer these in evidence, your Honor.

Mr. Greenspoon: No objection.

Mr. VanVoorhis: What is this, the 50,000 Libyan pounds or does it also include the concession?

Mr. Nizer: We offer D1, 2 and 3.

(1400) Mr. Greenspoon: What is 3?

Is the authenticity of this stipulated? No objection.

(Defendant's Exhibits D1, D2 and D3 for identification were received in evidence.)

"A. That question was never discussed.

"Q. No Libyan official raised that with you? A. That is correct.

"Q. Were you the sole person on behalf of Occidental who negotiated or discussed the contract with the Libyan people? A. Yes.

"Q. Did Mr. Blom participate in those conversations? A. Mr. Blom was present in Libya at that time, but he did not participate in those conversations.

"Q. What about Mr. Brenner or Mr. Lawler? A. Neither were present nor participated.

"Q. How long did these conversations take place? A. Over a period of approximately a month. They started

several days after the announcement in late February, and they continued up to the day of signing, which I believe was March 29th.

"Q. Now, sir, did you see Mr. Galic over there (1401) at that time? A. I don't believe so. If I saw him, I certainly never spoke to him or talked to him.

"Q. What hotel did you stay at in Libya when you were there, usually? A. Usually?

"Q. Yes. A. The Uaddan.

"Q. That was in Tripoli? A. Yes.

"Q. With whom did you negotiate in connection with the ultimate formal contract that was signed? A. The bulk of the negotiation was carried on for the Ministry by Mustafa Kamal."

And passing from Line 18 on Page 241 to Page 242, Line 9:

"Q. Did you have any discussions with Mr. Kabazi about Mr. Galic? A. No."

This is offered by defendant without objection.

"Q. About Mr. Ogbi? A. No.

"Q. About Mr. Brenner? A. No.

(1402) "Q. About Mr. Khogia? A. No.

"Q. After the contracts were signed and that was some time in March, was it not, of 1966— A. Yes.

"Q. Did you then return to the United States? A. Yes.

"Q. When you came to the United States, did you have with you a copy of the contract as signed? A. I did."

Passing from there, which is the bottom of page 242, we go to 244, Line 8, reading at the instance of defendant without objection:

"Q. During this period of time, let's say, from July 1965 to September 1966, did you have any discussions with anyone from Allen & Company? A. No."

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And passing from Line 11 on 244, we proceed to Page 247, Line 19, plaintiff reading:

"Q. Prior to July 29, 1965, did you have any discussions with Signal Oil Company concerning the disposition of Libyan oil if, as and when you got the concession? A. Yes.

(1403) "Q. When did those discussions commence? A. Well, they really commenced some considerable time prior to the time the bids were handed in, that we were on quite good terms with Signal and knew a number of their management people quite well and discussed with them the possibility of their either joining us in the Libyan bids or their purchase of our Libyan crude. They had acquired—they had acquired quite a European refining and marketing complex and did not have any crude of their own with which to fuel these facilities. Yes, there were discussions with them.

"You said that these discussions had commenced a considerable period of time before you filed your bid, do you recall that? A. Yes.

"Q. Can you give us the date when they commenced? Considerable is too vague. A. Well, perhaps I spoke with Signal as much as a year previously about it.

"There was little or nothing done at that time, and then discussions commenced again, right after the call for bids in the 1st of June.

"Q. I believe the first time you went to Libya (1404) was in September 1964, is that right? A. That is right.

"Q. With reference to that date, when was your first discussion with Signal Oil Company? A. It probably had to be early 1965.

"Q. In other words, your first discussion with Signal was after you had gone to Libya the first time? A. Certainly, yes.

"Q. And with whom did you discuss the subject matter at Signal Oil? A. Largely with Mr. Lawrence Green and Mr. Russell Green.

"Q. Do you know whether or not Allen & Company was advised concerning these negotiations with Signal Oil? A. First I would like to say that the initial conversations with Signal could not be construed as negotiations. They were merely discussions on my part with the Greens. And in answer to your question as to whether Allen was advised, I have no idea.

"Q. You didn't advise him? A. I did not.

"Q. You say that the early conversations were not negotiations but merely discussions, is that the word you used? (1405) A. Yes.

"Q. Were you proposing to Signal that they might be desirious of taking some Occidental oil, if, as and when you got the Libyan concession? A. Yes.

"Q. Did they indicate an interest in it at that time? A. No.

"Q. Did they tell you that they had a European refining and marketing complex with insufficient crude of their own to fuel it? A. I was aware of that.

"Q. Did they tell you that? A. Yes.

"Q. So they did indicate an interest in Occidental's oil, if it got it? A. No, they did not indicate an interest at the time of the first meeting.

"Q. And then you say the meetings stopped until around June 1965? A. Yes.

"Q. Who initiated the resumption of those meetings? A. I don't recall whether Signal did or we did.

"Q. Let's put it this way. Was Mr. Hammer (1406) involved in the initial discussion? A. No.

"Q. Was there anyone other than you involved on behalf of Occidental in the initial discussion? A. No.

"Q. Let's call the next group of discussions secondary discussions. Is that all right? A. Yes.

"Q. And they commenced around June, is that right? A. Some time after the call for bids.

"Q. Which was around the first of June? A. June 1, yes.

"Q. 1965? A. Yes.

"Q. Were these negotiations or discussions, or whatever you want to call them, completed with Signal before you filed your bid? A. Yes.

"Q. And during that period of time had Signal agreed to take down some of the oil if you did obtain the concessions in Libya? A. We had a letter of understanding and an agreement with Signal that under certain conditions, they would (1407) take some of the Libyan oil.

"Q. Did you advise Allen & Company of these negotiations, of these discussions and of this letter, this informal letter agreement? A. I did not.

"Q. Do you know whether Dr. Hammer did? A. I don't know.

"Q. Were you asked by Dr. Hammer to keep these discussions with Signal secret? A. No.

"Q. Were any memoranda mailed by you of your first discussions with Signal concerning Signal's taking down some of your oil if you got it? A. No.

"Q. Is the only writing, to your knowledge, concerning the Signal oil deal that writing which is included in Exhibit 4 (P130) for identification? A. It is.

"Q. After the bids were opened, but before the concessions were granted, did you enter into a more formal document with Signal Oil Company? A. No.

"Q. Did you pick up your discussion after July (1408) 31, 1965, with Signal Oil Company? A. No.

"Q. Is it a fact then that at no time between the date the informal letter was signed between Occidental and Signal and the date of the award of the concession, was there any conversation or discussion between you and Signal concerning Signal's taking down some of the oil? A. No."

* * *

(1412) "Q. Did Occidental at any time ever appoint Galic as its agent and attorney in fact for the company to operate in Libya? A. No.

"Q. Was there ever any paper filed by Occidental in which Galic was designated as an attorney in fact? A. No.

"Q. Was there any paper filed by Occidental which mentioned Galic's name in any capacity? A. No.

"Q. By the way, I take it that Mr. Lawler was also an attorney in fact for Occidental in Libya, was he not? A. Some time prior to 1965 at some time he was made an attorney in fact.

"However, he was never notified that he was, and on my second visit with Lawler, on the February-March trip in 1965, I took a letter over that had been prepared by our Los Angeles office which Lawler signed, stating that he was—that he agreed to the termination of his position as attorney in fact.

(1413) "But he had not been aware that he had ever been made an attorney in fact.

"Q. Was Mr. Blom the manager of your Libyan offices in 1965? A. No.

"Let me qualify that, I think that for the purposes of some of these registration papers, that his name—or that he might have been given the title of resident manager. I am not sure about that, but that is a possibility."

Plaintiff reading,

"Q. I show you this letter dated July 16, 1965, on the letter of Signal Oil and Gas Company, and I ask you if that is the only understanding that you had with Signal at any time prior to July 29, 1965. A. Yes.

"Q. The letter we are referring to is a letter dated July 16, 1965 on the letterhead of Signal Oil, addressed to Occidental, which is part of Plaintiff's Exhibit 74 for identification?"

P130 for identification.

"A. Yes.

"Q. So far as you know, no copy of that letter went to Allen & Company, did it? (1414) A. As far as I know."

• • •

(1416) "Q. But you are absolutely, positively sure that you met Kabazi in September-October 1964? A. On that trip.

"Q. On that trip? A. Yes.

"Q. Did you report to Dr. Hammer orally that you had met Mr. Kabazi in September-October 1964? A. I don't recall.

"Quite a bit of one portion of the report dealt with Kabazi's views on what the basis for the bids would be.

"Q. Can you tell us where we find that in Plaintiff's Exhibit 73?"

P204.

"A. Yes, pages 10 and 11.

"Q. Will you point out to us— A. Well, start at the top of the page 11:

'Kabazi's thoughts as to the requirements for being awarded a concession are as follows'—

"Q. Isn't that what you were told by the United States Ambassador and not by Kabazi? A. I talked to the Ambassador and to the attache before I visited the ministry. But having been armed with some of the Minister's—previews, you might say, of his thinking, and I don't know that that was necessarily (1417) confidential information, it provided a basis for conversation with him?

"Q. The point I am making is, the views which you attributed to Mr. Kabazi and not which Mr. Kabazi expressed himself? A. Those nine points are probably a compilation of Lightner's views of what Kabazi was thinking, of Harring's views of what Kabazi was thinking, and my views as to what Kabazi was thinking.

"Q. You say probably. Is that your best recollection? A. That is my best recollection.

"And I might add, the thinking of the views of the other of the management people that I talked to.

"There was considerable discussion among the companies as to what the basis for the bids would be.

"Q. You say in here, in Item 3, that the concessions would not go to any corporations wanting to build fertilizer plants, based or supplied by gas that they might discover on their newly acquired concessions.

"Do you see that? A. Yes.

"Q. Isn't that exactly what you were suggesting to the Libyan Government that you were going to do? A. No. We suggested that we were going to build (1418) a plant—we would not wait until we discovered gas on our own concession, but as soon as the government made gas available to us from any concession, we would consider the construction of a plan.

"Q. You say here, at the bottom of page 11, that the question of a call for bids 'will be discussed further under the section of the Libyan Political Situation.'

"Do you see that— A. Yes.

"Q. Where is the section in Exhibit 73"—P204—"dealing with the Libyan political situation? A. As I recall, this report was written over a rather prolonged period of time, and I think that is why it just had a November date on it; it didn't have a specific day.

"I started on this and worked on it from my notes between my other activities, and I got to this point, and the Doctor said, 'Turn it in the way it is.'

"So it was not a completed report, really.

"Q. Tell us what you were going to say or did say concerning the Libyan political situation and bidding. A. I think the political situation—

Even at this time, that there was considerable discussion in Libya that the Government might change, that Mr. Muntasser was ailing, was not in good health.

(1419) "There was conjecture that if the government changed, Muntasser went out and his cabinet went out, that Kabazi might go out also, and he very probably would.

"If that were the case, the ground rules for bidding, or at least the things that Kabazi considered important, might be totally different than what some new man might consider important.

"The basic procedure for bidding, that is, the sealed bids, review by the Council and so on, was by then established by law, but that was what I was referring to in the political situation.

"Q. Is that what you meant by the political situation? A. Yes.

"Q. From whom did you hear these rumors, speculations and the like? A. Libya is a rumor mill. Tripoli is a rumor mill.

"What is happening in the government, what is happening in the oil industry—these are subjects of constant rumors in Tripoli.

"Q. In this connection was it Mr. Kabazi who was pushing, as far as you discovered, for an early opening of the concessions to bids? A. Kabazi wanted the concessions to be called for, the bids to be called for, but I don't know whether the rest (1420) of the cabinet were really in favor of it or against it.

"It was my impression that there were people in the old cabinet who were opposed to the idea of having new concessions awarded.

"I don't believe that I knew what Muntasser's position was, if Muntasser had a position on it.

"Q. Did you know what Kabazi's position was? A. Yes. Kabazi stated that he had attempted to have the bids called for earlier that year—earlier in 1964."

• • •

(1421) "A. No.

"Q. Did you ever learn that it had been sent? A. Yes. I think I knew that something—some notice had been sent to deRovin.

"Q. Under what circumstances did you learn that? A. It was some time between my March trip and—well, it must have been about the time that the report came in, showing deRovin to be the swindler and crook that he was.

"Q. In other words, you mean that it was before July 1965? A. Yes, it probably was.

"Q. But you were not consulted or asked your opinion on that subject? A. I was not.

"Q. And did you ever advise Hammer that he ought to dump deRovin? A. No.

"Q. Did you ever advise Hammer that he ought to get rid of Galic? A. No.

"Q. Did Hammer ever ask you for your advice as to whether or not he should get rid of Galic or deRovin? A. He did not."

(1422) Passing from line 18, page 267, to page 268, line 17, read by plaintiff:

"Q. Did Ogbi complain to you that Lawler was interfering with his activities? A. No.

"Q. Did Lawler complain to you that Ogbi was interfering with his activities? A. No. I heartily doubt that Mr. Ogbi would have been interfering with Mr. Lawler's—

"Q. Did you ever tell Mr. Lawler to cease interfering with Ogbi's activities? A. No. (See rider attached)

"Q. Did you ever tell Mr. Lawler that he had acted improperly in connection with Ogbi? A. I don't believe the question ever came up. (See attached rider)

"Q. Did you ever hear of a company, Mr. Vaughan, called Wintershal? A. Yes.

"Q. Did Wintershal bid for either of the bidding blocks which were obtained by Occidental? A. They may have bid for bloc 42-B.

"Q. Is there any way you can find out whether or not they did bid for 42-B? (1423) A. Yes. Would you like a list of the—

"Q. Is that document marked as an exhibit? A. Yes.

"Q. What is the number—

Will you look at Plaintiff's Exhibit 10 and tell us whether or not Wintershal bid for either of the bidding blocs which Occidental obtained? A. For block 42-B."

Exhibit 10 is P133.

"Q. Did Wintershal bid on any of the blocs which Occicidental bid on and did not obtain? A. Yes.

"Q. Which were those? A. 43 and 47.

"Q. Did Wintershal obtain the concessions on bidding blocks 43 and 47? A. On bloc 47.

"Q. Wintershal obtained it? A. Yes.

"Q. Do you know of your own knowledge whether or not Galic did anything to aid Wintershal in obtaining the concession? A. I do not.

"Q. Were you ever told by anyone that Galic aided (1424) Wintershal to obtain that concession? A. No.

"Q. Do you know of your own knowledge whether or not Allen & Company helped Wintershal in any way in obtaining that concession? A. I do not.

"Q. Were you ever told by anyone that Allen & Company helped Wintershal obtain their concession? A. No.

"Q. Did Mr. Galic ever visit with you in California? A. No."

Continuing at defendant's instance:

"Q. Did Mr. Galic ever call you on the telephone while you were in California? A. Once.

"Q. Was it at your home or was it at your office? A. Probably at my office.

"Q. When was that? A. It was right after my return from Paris, as I recall.

"Q. So that would be some time in March 1965? A. Yes.

"Q. What was the conversation that you had over the telephone was Galic on that occasion? (1425) A. I have no recollection.

"Q. Did it relate to Libyan oil? A. It certainly related to Libya—yes, it related to Libyan oil.

"Q. Did it relate to some contacts with Galic said he had in Libya? A. Are you referring to some of these contacts that he had acquired through General deRovin and because of his great knowledge and friendship in Libya?

"Q. I am referring to any contacts which Galic claimed he had in Libya, no matter how he obtained them. A. I would surmise that the phone call was probably about the Ogbi situation, because that was really the only thing that I had ever had under discussion to any extent with Mr. Galic.

"Q. By the way, was the telephone conversation after you had received the letter from Galic dated March 8, 1965, Plaintiff's Exhibit 41 for identification?"

Mr. Nizer: That is P89.

Mr. VanVoorhis:

"A. I don't recall.

"Q. I show you Plaintiff's Exhibit 41 for identification and I ask you if that refreshes your recollection as to the date of the telephone call from Galic or as to its subject matter. (1426) A. No.

"Q. So you still cannot tell us whether the conversation was before or after you received Plaintiff's Exhibit 41 for identification?"

P89.

"A. Correct.

"Q. Can you tell us anything else that was said in that conversation? A. I can just barely remember that there was a conversation.

"Q. Perhaps this will refresh your recollection: Did Galic tell you that he had been told that you would have no problem in obtaining the concessions you wanted in Libya? A. I would doubt that very much.

"Mr. Galic at that point in time was, on the contrary, telling us that Occidental was not going to be awarded, and would never be awarded concessions in Libya, as long as we had any dealings with Mr. Ogbi.

"And we at this point in time had understandings and agreements with Mr. Ogbi, and therefore our position was such as to effectively be out."

> We object to that as not responsive.
>
> The Court: He testified to that already, almost in the precise language, with the exception of the last (1427) paragraph, about the understanding.

• • •

"Q. So that the only time you met with Mr. Brenner, from September 1964 through February or March 1966, was in February 1965? A. I believe that is correct.

"Q. Now, sir, did you receive any reports from any source during that period of time as to what Brenner was doing in connection with Libyan concessions? A. No.

"Q. Did you ever ask Mr. Hammer or anyone else as to what Brenner was doing? A. No.

"Q. Did your activities ever bring you into contact with what Brenner was doing in Libya during that period of time? A. Yes, specifically in this field of registration.

"Q. Other than that? A. In the field of promoting Occidental's image in the area of agricultural development.

"Q. Was Brenner partaking of such activities in Libya? A. Fertilizer activities, yes."

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(1428) Defendant offering the following, without objection:

"Q. Did you accompany him on any of these visits in connection with fertilizer activities? A. Brenner may have accompanied me on a visit to the ministry in which we discussed our ammonia activities in Saudi Arabia and their possible application in Libya.

"Q. When was that? In February 1965? A. Probably, yes.

"It was particularly after that February-March—or February trip in 1965, that I had been in Libya with Brenner and Galic, and this Ogbi situation flared up, that the Doctor again told me to focus on my primary areas of responsibility, that is, the technical side, geology and so on, and not to get involved in the other areas, because certainly I had enough to do and he didn't want to burden me with things that were not in my field.

"Q. By the way, did you advise Dr. Hammer of your correspondence with Galic in March 1965? A. I am not sure whether I did or not. That was a personal letter and I am not sure that I did.

"I think that I told him, that I may have told him of Galic's letter back to me, but don't think that I (1429) discussed my letter to Galic."

* * *

"Q. Did you ever tell Mr. Hammer that Ogbi had confidence in Occidental's ultimate success in obtaining concessions—of course, before they were obtained? A. I am not sure how much confidence Mr. Ogbi had in Occidental's ultimate success in obtaining concessions.

"Q. Did Mr. Ogbi ever discuss with you his optimism or lack thereof in connection with obtaining concessions in Libya? A. He discussed with me the agricultural fertilizer approach and how he thought that this was a good approach and would appeal to the Libyan people at this point in time.

"Q. Did you report that advice to Mr. Hammer? A. It is quite possible that I did.

"Q. That is your best recollection? A. Yes."

Passing now from line 8, page 277, through the end of that volume, to page 283, line 7, plaintiff reading:

"Q. Mr. Vaughan, at the last session you indicated that you had gone to Libya for the first time and you (1430) were there from mid-September to mid-October 1964.

"Do you recall that? A. I do.

"Q. Can you fix the precise date when you left New York for that trip, or left the United States for that trip? A. Yes.

"Q. What was the precise date? A. By review of my passport I believe that I arrived in London—I think it was the 25th of September.

"Q. That you arrived in London? A. Yes.

"Q. Did you go to Libya before you went to London? A. No. On that trip where I previously stated that I was in Libya in late September, I was in fact in London and in Rome.

"I went from Los Angeles, Bakersfield, to London to Rome.

"I did not actually get into Libya until, I believe it was the 4th or 5th of October, and I was there until I believe it was the 15th of October.

"Q. Have you been able to establish whether or not you saw Mr. Lawler before you went to Libya or on your way back from Libya? (1431) A. I saw Mr. Lawler on my way to Libya.

"Q. Can you now fix for us the date during your first trip to Libya on which you saw Mr. Kabazi? A. No, I cannot.

"Q. You can tell us whether it was toward the begininng or the end of your trip in Libya? A. I have no recollection as to that.

"Q. Can you tell us whether it was closer to the 4th or 5th of October or closer to the 15th of October? A. As I have just stated, I have no recollection of what time it was during that two-week period, or ten-day period in Libya that I met Kabazi.

"I visited the ministry at least once during that time, and it was on one of those visits to the ministry that Kabazi was present.

"Q. Would you happen to know what day of the week it was? A. Oh, heavens, no.

* * *

(1432) "Q. At that meeting with Mr. Kabazi did he indicate to you that he knew you were coming to see him? A. No."

Passing from line 13, page 286, to page 287, line 8, offered by the defendant but without objection:

"Q. What is your answer? A. No, I don't think that Mr. Kabazi knew I was coming—although I guess it is possible.

"I think that I met with the American Embassy previously and they had suggested that I visit Kabazi. Whether they told him I was coming or not, I don't know.

(1433) "Q. At that meeting did Mr. Kabazi tell you that Mr. Brenner had been in to see him previously? A. I don't believe so.

"Q. Is that your recollection? A. That is my best recollection."

* * *

(1435) "Q. Have you made a search for any correspondence between you and Mr. Lawler or between, let us say, Mr. Blom and Mr. Lawler, in connection with the Libyan concession? A. Yes.

"Q. Have you found any? A. Yes.

"Q. Will you produce it, please."

Mr. Nizer: If you want to read my statement because I think it throws a light on it.

Mr. VanVoorhis: All right.

"Mr. Nizer: May I state for the record that the witness can confirm the fact, if you wish him to, that when we received your letter of June 3, dated June 3, requesting certain data—I won't go into some of the other items that we have filed—unless you want to, to review them all, but we don't have to do it right now—but on the subject of this correspondence and maps, Mr. Pollio seated here with me, immediately wrote on June 4th to Mr. Vaughan as to request that he make further search for the maps which you asked for in our letter, the maps you asked for in that letter of June 3rd, and for correspondence with Lawler from July 1964 through March 1966."

Mr. VanVoorhis: Should I read all of this?

(1436) Mr. Nizer: It is the explanation which the witness adopts to save time.

Mr. Greenspoon: I don't think the witness adopts it at all.

Mr. VanVoorhis: I will go on reading the colloquy.

"Mr. Lawler advised us that—

"Mr. Greenspoon: Whether who advised you?

"Mr. Nizer: Sorry—Mr. Vaughan advised us that upon receipt of this letter from Mr. Pollio, he made a search of some files where he thought the maps might be and did find some old and new maps, and with it also he said he found there a folder with some correspondence because they had been Lawler maps, some of them, and apparently the Lawler file was with it.

"He immediately made copies of the correspondence, the maps were forwarded in a special way, which he will describe to you—he couldn't make copies of those—we have them there—

"Mr. Greenspoon: I understand.

"Mr. Nizer: And the correspondence was copied from the file and forwarded, and we received—that is, Mr. Pollio received that shortly after June 9th, the very (1437) day that he found them. I think that is what you told me, Mr. Vaughan.

"The Witness: I got Mr. Pollio's letter on the 9th—

"Mr. Nizer: No, you got it before that.

The Witness: No.

"Mr. Nizer: You may be right.

"The Witness: It was Monday morning and we searched through the map files.

"Mr. Nizer: When did you mail the documents you found?

"The Witness: We shipped them by air express the same day to you.

"Mr. Nizer: We have them. I have identified them sufficiently for the record, Mr. Greenspoon, so you can make any application for the discovery of these documents, if you feel advised to do so.

Mr. Greenspoon: Let's identify them for the record by date and from whom to whom.

"Mr. Nizer: No, no, I will identify the folder. I am not going to identify each letter—

"Mr. Greenspoon: Mr. Nizer, he may need something to refresh his recollection.

(1438) "Mr. Nizer: I am not going to produce them unless there is an order of the Court because I don't think they are relevant.

"Mr. Greenspoon: I think, then, we should have them by date and from whom to whom.

"Mr. Nizer: No—"

Do we have to read all of this?

The Court: I was going to say do we really need all of this in the case? I don't know what it adds to it. You are just accumulating a tremendous record on many matters, as I have said now, in quotes. There is a well-known saying of a Supreme Court Justice, at the risk of error there is repetition. Much of this has absolutely no point in this case at all.

Mr. VanVoorhis: The letters do, as we submit, but we are trying to find the referen[illegible] the letters.

Mr. Greenspoon: It is on Pag[illegible]

Mr. Nizer: There was some dis[illegible]on [illegible]f Judge Lasker's order.

The Court: All it adds up to is that Mr. Greenspoon asked the witness to make a search of his records with respect to maps and correspondence with Mr. Lawler, Mr. Nizer transmitted requests, the witness stated he discovered certain material, the material is identified, (1439) and what is the whole discussion about?

Mr. VanVoorhis: At Page 303, Mr. Nizer said: "They are there. I have not counted them, but it is correspondence between Vaughan and Lawler."

The Court: That is just what I said.

Mr. Nizer: I thought you were going to skip that.

Mr. Greenspoon: The point of it—

The Court: Tell me the point of it. I would be interested to get your explanation of the point of it.

Mr. Greenspoon: Mr. Nizer has been telling the Court about Judge Lasker's ruling, about documents which we don't even know what they were, which were before Judge Lasker.

The Court: He afforded you the opportunity for a discovery proceeding if you were so disposed.

Mr. Greenspoon: Mr. Nizer identified the letters and documents as beginning October 16, 1964, and going through March of '66. Our only point was we didn't know what they were, so we could hardly make much of an argument about relevance. That is the only point I want to make on the letters.

Mr. Nizer: The Judge had them in camera and (1440) we submitted an itemized list of every letter to the Judge. And we have that.

Mr. Greenspoon: But not to us.

Mr. Nizer: However, as his Honor says the only possible linkage of this is to explain Judge Lasker's order as to why we were there. I think we can skip it now. It has been more than sufficiently explained.

* * *

(1441) "Q. Do you know whether any of the letters dated between these two dates were sent by Mr. Hammer or Mr. Blom or anyone else in Occidental to Allen & Company? A. I have no knowledge of that.

"Q. Were you ever told that any of them were or were not sent to Allen & Company? A. I was never told.

"Q. If I asked you the same question concerning the letters dated between July 16, 1965, and March 1966, would your answer be the same? A. Yes."

* * *

"Q. By the way, Mr. Vaughn, you mentioned at the last session that you had a film which was shown at the Tripoli International Trade Fair in February 1966, do you recall that? (1442) A. Yes.

"Q. You mentioned that the Prime Minister of Libya was there, and the Minister of Agriculture was there.

"Do you recall that? A. Yes.

"Q. Was Mr. Kabazi there? A. I don't believe he was.
"Q. Is that your best recollection that he was not there? A. That is right, that is my best recollection."

This is offered by defendant without objection.

"Q. By the way, was this film also shown in Beida? A. There were a number of small group showings of this film at that time and subsequently, to various government officials. Whether it was shown in Beida or not, I have no recollection."

Passing from Line 22 at Page 310, to the top of 311.

"Q. So you couldn't tell us whether or not Mr. Kabazi ever saw this film, is that right? A. Not of my own knowledge.
"Q. Did Mr. Hammer ever tell you that Mr. Kabazi had seen the film? A. I don't believe so.
(1443) "Q. Did Mr. Blom ever tell you that Mr. Kabazi had ever seen the film? A. I have no recollection of that.
"Q. Did anyone ever tell you that Mr. Kabazi had seen the film? A. I have no recollection of that.
"Q. What do you mean when you say you have no recollection of that? A. I have no recollection of anyone telling me that Mr. Kabazi had ever seen the film."

Passing from Line 16 on Page 311 to Page 315, Line 3, plaintiff reading:

"Q. Let's see if we can straighten it out. You left Los Angeles on July 21, 1965, and arrived in New York the same day, correct? A. Correct.
"Q. You stayed in New York until July 24, 1965, is that correct? A. Correct.
Q. And on that day you left for Libya? A. The 24th or 25th I left for Libya.
"Q. What day did you arrive in Libya? A. The 25th.
(1444) "Q. July 1965? A. Yes.

"Q. I believe you told us that you traveled with Mr. Hammer from Los Angeles to New York and thence to Libya, is that correct? A. Yes."

* * *

(1446) "Q. At the bid opening, Mr. Vaughan, did Occidental have a photographer employed to take pictures at that opening? A. No.

"Q. Did someone take pictures on behalf of Occidental at that opening? A. Dr. Blom.

"Q. In other words, he had his own camera, is that the idea? A. Correct.

(1447) "Q. Have you seen the pictures or any of the pictures that were marked for identification at the deposition of Mr. Kabazi? A. I have.

"Q. Were any of those pictures posed? A. No.

"Q. Did you know when you went up to the table that Mr. Blom was going to take a picture of you sitting at that table? A. I did not.

"Q. Or standing at the table— A. Standing at the table?

"Q. Standing at the table, rather. A. Yes."

* * *

(1448) "Q. By the way, were bidding blocks 42B and 44 at one time a part of concession 59? A. Bidding block 42B was a portion of old concession 59.

"Q. And that old concession was held by Oasis, was it not? A. Yes. Bidding block 44, which became concession 103 was largely a portion of Mobil concession 12. Approximately it would be 20 per cent of the block was in the old concession 59."

* * *

(1450) "Q. Will you please state your full name and residence address for the record. A. C. JAMES BLOM, 203 Fairway Drive, Bakersfield, California.

"Q. Will you briefly tell us about your higher education and your employment since graduation from college? A. I graduated from the California Institute of Technology in 1950 with a Bachelor of Science Degree in Geology, and I graduated from the University of Insbruck in 1953 with a Doctor of Philosophy in Geology.

"My employment was for nine years with the Standard Oil of California, from 1955 through 1964. And since that time I have worked for Occidental Petroleum Corporation and Occidental of Libya, Inc.

"Q. Can you tell us when in 1964 you came with Occidental? A. May.

"Q. Are you an engineer? (1451) A. I am both an engineer and a geologist.

"Q. Are you a member of any engineering societies? A. The American Institute of Mining, Metallurgy and Petroleum Engineers. I am also a registered professional petroleum engineer in the State of California, Registry No. P1170.

"Q. In connection with your services to Standard Oil of California, did you perform any services in Libya? A. No.

"Q. Or in the Middle East? A. No.

"Q. Were your services restricted to the United States? A. Yes.

"Q. Was the first time you had any direct contact with Middle East or Libya after you became employed by Occidental? A. No, I was in Egypt, Tunisia and Morocco in 1952 as a student.

"Q. But in connection with your employment, had you had any contact with the Middle East or Libya prior to becoming employed by Occidental? A. No.

(1452) "Q. Did you have a title or any particular capacity when you first became employed by Occidental? A. Geologist.

"Q. Is that still your title or capacity? A. No. My present title is coordinator of Libyan affairs and senior vice-president for Occidental of Libya, Inc.

"Q. When did you become senior vice-president of Occidental of Libya, Inc.? A. In December of 1967.

"Q. Before that, were you an officer of Occidental of Libya or of Occidental Petroleum? A. I have never been an officer of Occidental Petroleum. I was elected vice-president of Occidental of Libya, Inc. by resolution of the board of directors on January 19, 1965.

"Q. And you continued as such vice-president until you became senior vice-president in September 1967, is that correct? A. That is correct.

"Q. Are you also a director of Occidental of Libya? A. No, nor have I ever been.

"Q. When, Dr. Blom, did you become aware of any (1453) interest or activity of Occidental with respect to Libya? A. In September of 1964.

"Q. How were you made aware of that interest? A. Mr. Vaughan asked me to prepare myself for a trip to Libya.

"Q. Did you prepare yourself for a trip to Libya? A. Yes. I got a visa and the appropriate shots.

"Q. Is that the type of preparation you mean or did you do some geological work? A. No, I didn't at that time.

"Q. Did you do any work at all in connection with Libya prior to your first trip to Libya? A. Yes, I collected articles from the trade and technical journals and looked at a set of maps which Mr. Vaughan supplied me.

"Q. Can you tell us when you did that? A. In November.

"Q. 1964? A. 1964, right.

A. C. James Blom, E.B.T.

"Q. Do you recall that Mr. Vaughan made a trip to Libya in the fall of 1964? A. Yes.

"Q. Did Mr. Vaughan discuss that trip with you when he returned from Libya? (1454) A. Some time after his return, Mr. Vaughan gave me a copy of his report to read which I did read, but I had a very limited discussion with Mr. Vaughan since the report was self-explanatory.

"Q. I take it you did that around November, December 1964? A. Yes.

"Q. When for the first time did you go to Libya? A. I went to Libya—I arrived in Libya February—"

Mr. Nizer: Please read Mr. Pollio's comment.

Mr. VanVoorhis: Yes, Mr. Pollio's comment.

"Mr. Pollio: According to Dr. Blom's passport, which was issued September 4, 1964, No. E-651866, it appears that Dr. Blom came to Libya for the first time on February 12, 1965, and left on February 26, 1965."

Off the record.

(Discussion off the record.)

"He made a second trip on March 13, 1965, and left on March 18, 1965.

"He made a third trip on June 17, 1965, and left on June 19, 1965.

"He came back to Libya on June 19, 1966, and stayed until August 1, 1965.

(1455) "He returned to Libya February 10, 1966, and remained until April 12, 1966."

Mr. Greenspoon: I think that is enough of the dates. At this time we offer in evidence Plaintiff's Exhibit 134 for identification.

(Plaintiff's Exhibit 134 was received in evidence.)

A. C. James Blom, E.B.T.

Mr. Nizer: Your Honor, this is after the concessions, the bids had been opened. I don't see any relevance to this, Mr. Blom writing Mr. Lawler on this. I don't understand the purpose of the offer at all, what it proves with respect to the issues in this case.

Mr. VanVoorhis: I call your Honor's attention particularly to the last paragraph bearing in mind this is from the statement to Mr. Vaughan to Mr. Lawler, who is attorney in fact and consulting geologist in Libya. "From the large quantity of applications received by the Libyans, I imagine it will be a couple of months before the Libyans will be ready for additional bargaining prior to the granting of concessions. Perhaps Dick or I may see you at that time, if it becomes necessary for us to again return to the shores of Tripoli."

Then the second paragraph: "It looks as if (1456) Occidental's choices of Libyan blocks have been very popular with our competition, too. This fact has reaffirmed our confidence in having picked the best parcels. And we want to thank you for having made these choices possible."

Mr. Nizer: There have been clarifications of what the bids contained. I don't think there is any significance of what counsel is reading. I don't know what kind of impression he is trying to create. The law of Libya required sealed bids. Obviously what Mr. Blom writes after the bids are in, is not to be given the interpretation you do. In any event, this is a letter from Blom to Lawler.

Mr. VanVoorhis: May it please the Court, Mr. Blom is a responsible representative of the defendant. So is Mr. Lawler. We have been faced throughout this lawsuit with this unfounded contention that no bargaining or persuasion can be

engaged in after the sealed bids were in. This is disproven in many ways. Here is a letter of August 10, 1965, which says that it will be a couple of months before the Libyans will be ready for additional bargaining prior to the granting of concessions. It is perfectly apparent that this idea that nothing was to be said or done after the filing of these applications which were (1457) disposed of on a discretionary basis by the Libyan Government—these weren't like bids for public contracts with a high and low bidder, or the public, municipal securities or something of that sort. This was a highly discretionary thing on the part of the Libyan government. There was nothing that we know of which precluded or prevented legitimate persuasion that the Libyan government should accept these bids and the position which is taken that this was all out and not engaged in and that there was nothing to be said or done after the filing of these bids with respect to persuading the Libyan government to accept them, is incredible.

One of the factors, for example, was the consideration of the King, and the efforts at persuasion which it is admitted by the defendant were engaged in after this time of filing, all negates the assertion that there was no bargaining or no persuasion, no negotiating, no discussions following the submission of these bids.

Of course, the Libyan law provided for the filing of what were called not bids, but applications, and these applications were filed, and this application of Occidental's is before your Honor. It is in evidence now.

(1458) But there is nothing there that no further persuasion was to be engaged in, and we think that this letter from Mr. Blom which says that the additional bargaining will begin in a couple of months

from August, which would be around October, and during this period, is certainly a contradiction out of the defendant's own mouth of this theory, which is being asserted in its behalf.

Mr. Nizer: Did your Honor want to make an observation or else I will continue.

The Court: No. I was going to ask whether or not the bids under the Libyan law were sealed bids and I think the evidence indicates that the bids are sealed bids.

Mr. Nizer: Under the statute, your Honor.

Mr. Greenspoon: They were opened, publicly opened, on July 31, that is two days after they were filed.

Mr. Nizer: No, no, just a moment. Counsel I am sure inadvertently bespoke himself. When he read the last paragraph he said "bargaining will begin." There is no such word as "begin" and it doesn't mean that at all.

Mr. VanVoorhis: He says will be ready for. I don't like to be contradicted that when I am not subject to it.

(1459) Mr. Nizer: When you said "begin" that isn't correct. The clear meaning of this, if you will be good enough to permit me to make the point, "From large quantity of applications received by the Libyans, I imagine it will be a couple of months before the Libyans will be ready for additional bargaining prior to the granting of concessions."

And the fair meaning of that is that there will be all sorts of clarifications with respect to the bids having been opened, the thing that happened right at that first session of which the photographs are a visual explanation, and they will come in in a moment through Mr. Blom, the testimony already is that Mr. Vaughan was called up to explain what he meant by the agricultural and Kufra proposal,

and he was discreet about explaining it because none of the real terms of the concessions were revealed even after the bids were opened. There was also knowledge that there would be considerable discussion and negotiation concerning the contracts.

It would take months even to clarify how the contract should be made. And the two letters, P155 and P156 in evidence, are further confirmation of what I am saying.

Therefore, to draw the kind of inferences you (1460) do that sealed bids under the statute did not mean sealed bids and because Mr. Blom wrote this letter to Mr. Lawler, that is an admission to the contrary or is the contrary, is so remote, your Honor.

Now, one final point and I will sit down.

Judge Lasker excluded this very letter of August 10, 1965, in his careful review of every document, including even the granting of a certain paragraph of certain letters. He had this before him, and he excluded it as totally irrelevant.

Mr. Greenspoon: Your Honor, we didn't know this letter was before Judge Lasker, since we didn't know what was before Judge Lasker. So it was difficult for us to argue what was or was not relevant.

The Court: Gentlemen, really, at this point the only issue is whether or not I should receive the letter in evidence and you gentlemen seem to be intent upon arguing the meaning of the letter and the inferences that should be drawn, and its relationship to the issues in the case.

Under the general policy of accepting almost every paper that is offered, bearing in mind that I will only consider those that are in fact relevant, I will (1461) receive it.

* * *

A. C. James Blom, E.B.T.

"Q. Did you go to Libya with anyone in February of 1965? A. With Mr. Vaughan.

"Q. Did you travel together? A. Yes.

"Q. Was there anyone else with you? A. No.

"Q. When you were in Libya on that trip, did you meet a man by the name of Mr. Galic? (1462) A. Yes.

"Q. Where did you meet Mr. Galic? A. In Tripoli.

"Q. Was he staying at the same hotel with you? A. I don't know.

"Q. What hotel did you stop at on that occasion? A. At the Libya Palace.

"Q. How many different occasions did you meet Mr. Galic during your February trip to Libya? A. I don't know.

"Q. Was it more than once? A. Yes.

"Q. Do you think it would be as many as ten times? A. Fewer.

"Q. Was it every day? A. No.

"Q. What is your best estimate? A. Parhaps five times. These were mostly social engagements. That is, I would go to dinner with a larger group in which Mr. Galic may have been present.

* * *

(1464) "Q. During that February visit, did you meet with a Mr. Ogbi? A. Yes.

"Q. Was Galic present at any such meeting? A. Yes.

"Q. Was Mr. Vaughan present at any such meeting? A. Yes.

"Q. Was there anyone else present? A. The meeting that I am referring to at this time was a larger dinner at which Mr. Galic and Mr. Ogbi were all present and Mr. Vaughan, and this was a social engagement and I don't believe there were any discussions of concessions; and beyond that, most of the discussion was carried on in a language unfamiliar to me."

(1465) I am reading at the instance of defendant, but without objection.

"Q. Was Mr. Brenner present at that meeting? A. No."

Plaintiff again reading, Page 12, Line 3:

"Q. Was Mr. Brenner present in Libya in February of 1965, when you were present? A. Yes.

"Q. Did you meet him for the first time on that occasion? A. I met him for the first time in February of 1965.

"Q. In Libya? A. I met him for the first time in Paris.

"Q. Before you went to Libya? A. Yes.

"Q. Just to get it straight, you and Mr. Vaughan stopped off in Paris and saw Mr. Brenner before you went to Libya? A. We had not planned to stop in Paris, but because of a snowstorm, which closed the Rome Airport, we were forced to spend two nights there in Paris, at which time we looked up the representative of Occidental, the branch manager, Mr. Brenner.

(1466) "Q. Did Mr. Brenner discuss with you any activities of his in connection with oil concessions in Libya? A. No.

"Q. Was the discussion with Mr. Brenner other than social? A. No. My discussions with Mr. Brenner were social. For any business discussions, he talked to Mr. Vaughan.

"Q. Were you present when he talked to Mr. Vaughan? A. At times.

"Q. Would you tell us about the business discussions at which you were present between Mr. Vaughan and Mr. Brenner? A. In Paris, Mr. Vaughan and Mr. Brenner met a Mr. Lenghi and the discussion concerned the termination of Mr. Lenghi's agency with Occidental of Libya.

"Q. Was Mr. Lenghi a Libyan? A. Yes.

"Q. You say to terminate his agency. What agency did he have at that time? A. In 1963, Mr. Lenghi was appointed as Libyan agent and attorney-in-fact for the purpose of registration of Occidental of Libya.

(1467) "Q. And this was terminated, you say, in Paris in 1965? A. The agency was terminated by resolution of the board of directors in January of 1965, and this provided an opportunity to notify Mr. Lenghi in person.

"Q. Was he notified in person at this Paris meeting? A. Yes.

"Q. I take it Mr. Brenner did not accompany you on your flight down to Libya? A. That is correct.

"Q. He showed up after you or before you or what? A. I don't recall.

"Q. Did you meet a General DeRovin at that time? A. Yes, in Libya.

"Q. Only once or more than once? A. The same social meetings that I had with Mr. Galic were also attended at various times by General DeRovin."

* * *

"Q. In connection with Mr. Ogbi during your trip to Libya, were you present at any time when Mr. Ogbi and Mr. Vaughan and you were the only persons present? A. Yes.

(1468) "Q. How many such meetings were there? A. I don't recall.

"Q. More than one? A. Probably, yes.

"Q. Can you tell us what the discussion was on that occasion? A. I am sure that we discussed the registration problems.

"Q. Was there any discussion concerning appointing Mr. Ogbi as your local representative or giving him power of attorney, such as Mr. Lenghi had had? A. Yes.

"Q. What was said about that? A. To the best of my recollection, we brought with us Mr. Ogbi's power of at-

torney which had been granted by a resolution of the board of directors in January of 1965.

"Q. The board of directors of whom? A. Occidental of Libya, Inc.

"Q. Did they hold their meetings in Libya or the United States? A. In the United States.

"Q. In California? A. Yes.

(1469) "Q. Was there anything else said other than you brought the resolution? A. The discussion, naturally, entailed how we were going to get the company registered.

"Q. Was that all? A. Yes."

* * *

(Luncheon recess.)

(1470) Afternoon Session 2 P. M.

* * *

"Q. Did you meet in February of 1965 a Mr. Kabazi? A. Yes.

"Q. Who was present when you met Mr. Kabazi? A. Mr. Vaughan.

"Q. Anyone else? A. I don't recall.

"Q. Was Mr. Ogbi present? A. I don't recall.

"Q. Was Mr. Galic present? A. No.

"Q. Did Mr. Galic discuss that meeting with you? A. No.

"Q. Were you present when there was any discussion between Mr. Vaughan and Mr. Galic concerning that meeting? A. No.

"Q. Do you know whether or not Mr. Galic was told about the meeting before the meeting took place? A. No.

"Q. Can you tell us whether the meeting took place towards the beginning or the end of your trip to Libya (1471) in February, and the beginning was the 12th and the end was the 26th? A. The beginning.

"Q. How soon after you landed in Libya did you have the meeting with Mr. Kabazi? A. Within a few days. Certainly prior to the time that Mr. Vaughan left.

"Q. Did he leave before you? A. Yes.

"Q. Do you know how long before? A. He left, I believe, on the 19th.

"Q. Did you have one or more than one meetings with Mr. Kabazi? A. One meeting.

"Q. I believe you said that you were present, Mr. Vaughan was present, Mr. Kabazi was present.

"Was there anyone else present? A. I don't believe so.

"Q. Can you tell us what was said on that occasion? A. I was introduced to Mr. Kabazi as being a vice president of Occidental of Libya, Inc. and I left my business card and was told that I would be working with the registration with our agency for Mr. Ogbi.

"Q. Was there anything else said? (1472) A. I believe it was primarily a courtesy call.

"Of course, we also asked about the very current topic, namely, when would bids be called for and when would a map of the available blocks for bidding be available from the Ministry.

"Q. What was his answer to that? A. That they were not ready at that time and as soon as they were ready, the Ministry would make them available to us.

"Q. That is the maps? A. The maps.

"Q. What did he say about when the bidding would be called for? A. I don't recall.

"Q. I assume from what you said, you and Mr. Vaughan came to the meeting together? A. Yes.

"Q. Did you leave the meeting together? A. To the best of my knowledge, we did, yes.

"Q. Do you know whether Mr. Vaughan had any further meetings with Mr. Kabazi on the occasion of that February 1965 trip? A. I don't know.

"Q. If you did have any, he never told you about it? (1473) A. He may have had such meetings, but I did not attend with him and I don't recall having heard of such meeting.

"Q. Was there anything further said at that meeting with Mr. Kabazi, other than as previously testifiefid to, of course? A. I don't believe so."

Passing from line 16, page 20, to page 23, line 12:

"Q. Was Mr. Vaughan present with you in Libya during your March visit which, according to this, was from March 13th to March 18, 1965? A. No.

"Q. Was Mr. Brenner present? A. No.

"Q. On that occasion, did you meet Mr. Galic? A. No.

"Q. General De Rovin? A. No.

"Q. Or Mr. Kabazi? A. No.

"Q. Or Mr. Ogbi? A. Yes.

"Q. What were you doing with Mr. Ogbi on that occasion? (1474) A. Every day, that is for three days, we visited the Bureau of Commercial Registration and the Chamber of Commerce for purposes of registering the company in Libya.

"Q. Were your services on that occasion in March of 1965 solely related to registration of the company and geological work? A. Yes.

"Q. After you left Libya in March of 1965, did you return to the United States? A. Yes.

* * *

"Q. When you returned to the States, did you prepare a report of any kind as to your activities in Libya, written report? A. I believe so.

"Q. To whom did you submit that report? A. To Mr. Vaughan.

"Q. Do you have a copy of that report here? A. I don't."

A. C. James Blom, E.B.T.

Passing from line 2 on page 25 to line 19 on the same page, page 25:

"Q. Will you tell us what the subject matter of that report was? A. It was my analysis of the geologic information that was available in Mr. Lawler's files for the use by Occidental under terms of whatever contracts Mr. Lawler might make with us."

Passing from line 24 on page 25 to page 27, line 4, read for defendant, without objection:

"Q. According to your schedule here, your next trip to Libya was on June 17th and you left Libya on June 19th. That would be about three days, correct? A. Yes.

"Q. What was the purpose of that trip? A. I was instructed to go back and check the validity of our registration.

"Q. To see how it was coming? A. To make sure that it was ample and sufficient for purposes of applying for petroleum concessions.

"Q. What did you find on that occasion? A. I found that by talking to Mr. Gerushi that there was a list of various documents that we would have to file with our application and that the registration documents that we had prepared that were completed were sufficient for (1476) purposes of registration, for purposes of application for petroleum concession.

"Q. In other words, the registration, as a condition to filing of an application, was completed by June 19, 1965? A. That is correct.

"Q. Do you know where the papers were filed with respect to the condition or complying with the condition for purposes of filing an application? A. I don't understand the question.

"Q. Certain papers, I believe, you say were prepared as a condition to the filing of an application; isn't that correct? A. Yes.

A. C. James Blom, E.B.T.

"Q. Had they been filed by June 19, 1965 with any office of the Libyan Government? A. Yes.

"Q. What office was that? A. There is the Ministry of National Economy in Tripoli, the Bureau of Commercial Registration in Tripoli and, likewise, in Benghazi, and the Chamber of Commerce in Tripoli and, for lack of a better word, let's call it the County Seat in Benghazi and the municipality of Benghazi.

"Q. Who was Mr. Gerushi? A. He was No. 2 or 3 man in the Ministry of (1477) Petroleum Affairs.

"Q. Under Mr. Kabazi? A. Yes.

"Q. Did you meet Mr. Kabazi on your June trip to Libya? A. No.

"Q. Did you meet Mr. Galic? A. No.

"Q. General De Rovin? A. No.

"Q. Mr. Ogbi? A. Yes.

"Q. Was your meeting with Mr. Ogbi solely relating to the filing of these papers? A. Yes."

Passing from line 11, page 29, to line 23, page 29, likewise read at the instance of defendant, without objection:

"Q. By this time, that is, June of 1965, the Libyan Government had already issued the initiations to bid; isn't that so? A. That is correct.

"Q. And they were issued around April of 1965?

"Were they issued around April 1965? (1478) A. No.

"Q. When were the invitations to bid issued? A. June.

"Q. Weren't they issued 90 days before the filing date? A. I believe they were issued about June 1st, the invitations to bid, that is, and that is two months prior to the filing date.

"Q. 60 days before the filing date; is that right? A. Yes."

• • •

A. C. James Blom, E.B.T.

Q. This report which you mentioned earlier and which is the subject of this application before Judge Lasker, did you deliver a copy of that to Allen & Company? A. No.

"Q. Do you know whether a copy was delivered to Allen & Company? A. No."

* * *

"Q. Did you make any report to anyone in Occidental concerning your activities in Libya in June of 1965? A. I gave Mr. Vaughan a copy of the official (1479) Ministry of Petroleum Affairs map showing the blocks that were available for bidding as well as the list of required documents for application confirmed to me by Mr. Gerushi and the copy of, I believe, both Arabic and a translation of the form which should be followed by applicants for such a concession."

* * *

(1480) "Q. Before you went to Libya in July of 1965, were you told by Mr. Vaughan that Occidental was interested in obtaining oil concessions in Libya? A. Yes.

"Q. In connection with your return to the United States after your various visits to Libya up to July 1965, did you discuss your visits with Mr. Hammer? A. Once.

"Q. Was Mr. Vaughan present? A. No.

"Q. Can you give us an approximate date of that discussion? A. March 21st.

"Q. 1965? A. Yes.

"Q. Can you tell us what was said on that occasion? A. Dr. Hammer was very concerned that our registration was in good order and sufficient for applying for concessions and he was questioning me about the results of my trip just previous for that purpose of completion of registration.

"Q. What did you tell him on that occasion? A. I told him that it looked as though our registration was in good order.

(1481) "Q. And you confirmed that, I gather, when you made your trip in June of 1965? A. Yes.

"Q. What was the purpose of your trip in July of 1965? A. To assist in the formal application for concessions.

"Q. Prior to your going to Libya in July of 1965, had you done any work on the application? A. Yes.

"Q. What had you done on it? A. I prepared the maps for the draftsman as well as a description for concessionaires which we were interested.

"Q. Were copies of your maps annexed to the application? A. Yes.

"Q. And you prepared what else? A. A description.

"Q. Of what? A. A description of those areas.

"Q. In which you wanted or thought you might bid for concessions? A. Yes. I am speaking now of a legal description (1482) of the outline of each concession block of each bidding block, I should say.

"Q. Will you tell us what you mean by legal description? A. It's just going from one point so and so many degrees.

"Q. Metes and bounds? A. Yes.

"Q. You described these various concessions by metes and bounds, so they could be located on a map; is that the idea? A. Yes, these various bidding blocks.

"Q. Was that the only activity of yours prior to July 25, 1965 in connection with the filing of the application itself? A. No. I also assisted in determining that all of the proper registration documents were included in the application and I assisted in assembling, preassembling the application and preparing the table of contents.

"Q. Did you have anything to do with describing the preferences which Occidental was willing to give? A. No.

"Q. Do you know who did that? A. No.

(1483) "Q. Were you present when the preferences were

discussed prior to July 25, 1965? A. We had several discussions of these preferences, but I was not at the discussion during which it was decided which of these preferences should be considered by Occidental.

"Q. Did you make any discussions in connection with these preferences? A. I don't recall.

"Q. Who was present at this conversation or meeting at which preferences were discussed? A. Dick Vaughan and myself.

"Q. Was Mr. Hammer present? A. No.

"Q. What did Mr. Vaughan tell you about preferences on that occasion? A. I don't recall.

"Q. I gather that you had no suggestions to make or recommendations? A. I don't recall.

"Q. Was there any discussion of Kufra on that occasion? A. No.

"Q. At the time you went to Libya on July 25, 1965, (1484) were you aware of what preferences Occidental's application would contain? A. Yes.

"Q. How did you become aware of that? A. During the course of assembling the application in New York on the 24th and possibly the 23rd, I saw the formal application.

"Q. And at that time I assume you read it or looked at it, in any event? A. Yes.

"Q. With whom did you go to Libya in July of 1965? A. With Dick Vaughan and Dr. and Mrs. Hammer.

* * *

(1485) "Q. At that time in July of 1965, did Occidental have an office in Tripoli? A. No, except in the form of an office of our agent there, Mr. Ogbi.

"Q. Did you have any meetings in connection with oil concessions during your trip to Libya in July of 1965? A. Yes, with Dr. Hammer and Mr. Vaughan.

"Q. Where were those meetings held? A. At the hotel.

A. C. James Blom, E.B.T.

"Q. What was the discussion about on those occasions? A. There was a letter which Dr. Hammer prepared, I believe on July 29th, which was prepared in that hotel room.

"Q. Is that the cover letter for the application? A. Yes.

"Q. Prior to your trip to Libya in July 1965, had Mr. Hammer mentioned to you anything about terminating with Mr. Galic? A. No.

"Q. Or with General De Rovin? A. No.

(1486) "Q. Or sending a letter to Allen & Company concerning the relationship between Occidental and Allen & Company? A. No.

"Q. Prior to your trip to Libya in July of 1965 had you heard of Allen & Company being mentioned in connection with oil concessions in Libya? A. No.

"Q. Prior to your trip to Libya in July of 1965, had you heard of Allen & Company being mentioned in connection with oil concessions in Libya? A. No.

"Q. Prior to July 25, 1965, had you ever heard of Allen & Company in any connection? A. I don't recall.

"Q. Prior to July 25, 1965, had you met anyone connected with Allen & Company, to your recollection? A. No.

"Q. At the time of your trip to Libya in July of 1965, had you had any discussion with Mr. Vaughan or Mr. Hammer concerning General De Rovin? A. Yes. Dick Vaughan told me the spring of 1965 that General De Rovin had a very dubious background and I shoud avoid him.

(1487) "Q. By 'spring,' do you mean March-April-May? A. I am not sure when.

"Q. Was it after your second trip to Libya or before? A. After.

"Q. Was it before or after your third trip to Libya in June of 1965? A. I presume it was before.

A. C. James Blom, E.B.T.

"Q. So it was some time between March 18th, then, and June 17, 1965? A. Yes.

"Q. Did Mr. Vaughan tell you the same thing about Mr. Galic, that you should avoid him? A. No.

"Q. I think it is agreed in this record, Dr. Blom, that Occidental filed its application on July 29, 1965, and that the applications were opened on July 31, 1965. And will you accept those dates? Because I think there is no dispute about them. A. Yes.

"Q. Were you present on July 31, 1965 when the applications were open? A. Yes.

"Q. Can you tell us where? (1488) A. In Beida.

"Q. And in what building? A. This was a meeting room in which the Council of Ministers usually met, I believe. I don't know what building.

"Q. Can you tell us what government officials were present on that occasion of the opening? A. There was His Excellency Mr. Kabazi, Mr. Gerushi, Mr. Hanghari and two or three other lesser members of the Ministry of Petroleum Affairs.

"Q. Were they sitting at a table in the front of the room? A. Yes.

"Q. And I assume there were chairs for people to sit on facing the table at the front of the room? A. Facing the table on three sides. The table was in the center of the room. Mr. Kabazi occupied a position at the end of the table under the flag in the picture of the king and the assembled members of the International Oil Society sat on three sides of the table, but back away from the table."

The Court: That was changed, according to my copy to "and the assembled members of the International Petroleum Business."

(1489) Mr. Nizer: That is correct.

The Court: In place of "International Oil Society," is that correct?

Mr. Nizer: Yes.
Mr. VanVoorhis: Yes.

"Q. On that occasion did you have a camera? A. Yes.

"Q. How many people were present, approximately? A. I would guess at least 100.

"Q. Was Mr. Vaughan present? A. Yes.

"Q. Mr. Ogbi? A. No.

"Q. Just you and Mr. Vaughan for Occidental? A. That is correct.

"Q. I can assume from that that Mr. Hammer had left Libya? A. Yes.

"Q. Was Occidental's application one of the last few opened? A. Yes.

"Q. Can you tell us in general what Mr. Kabazi said or did as he opened the various applications? A. Mr. Kabazi first, when he first commenced (1490) opening applications, he went through and determined the number of elements of preference included in the application and was making a tally of this with the assistance of his personnel there.

"Then it soon became obvious this was going to take too long to go through all of the applications, so he would simply call out the name of the company whose application was being opened, and after opening it, he would state which blocks were being bid upon by that company.

"Q. Can you tell us approximately when he began the latter alternative? A. After two or three hours.

"Q. How long do you say this convocation lasted? A. It lasted from, I would say 9:00 o'clock in the morning until 6:00 or 6:30 in the evning, without any break for lunch.

"Q. Can you tell us aproximately, timewise, when Occidental's application was opened? A. 5:30 or 6:00.

"Q. So, it would be towards the end of the convocation? A. Yes."

* * *

A. C. James Blom, E.B.T.

(1491) "Q. Did you perform any services whatsoever in connection with Libyan oil concessions whatsoever in connection with Libyan oil concessions between August 1, 1965 and February 10, 1966? A. Yes. I compiled the statutory costs that would be entailed if we would have been awarded certain blocks there. This is a compilation of rentals, work obligations and whatever else is required under the law."

This is read at the instead of defendant, without objection:

"Q. Did you compile that in writing? A. Yes.

"Q. Is that embodied now in a formal or informal written memorandum? A. I have no idea.

"Q. How long has it been since you have seen it? A. Since December of 1965.

"Q. Did you prepare that data about December 1965? A. Yes."

Passing from line 13 on page 51 to page 52, line 10, likewise offered by defendant, without objection:

"Q. Do you know whether or not Mr. Ogbi gave any reports to Occidental between August 1, 1965 and December 1965 concerning the activities of the Libyan Government (1492) with relations to acting upon the application for oil concessions? A. I don't recall. We relied a great deal on the international petroleum press for this type of information.

"Q. Is that a newspaper? A. No. I am speaking now of the various publications, Petroleum Intelligence Weekly, Petroleum Press Weekly, Petroleum Press Journal."

The Court: There is a correction there too: instead of "Petroleum," it should "Oil and Gas Journal."

A. C. James Blom, E.B.T.

Mr. VanVoorhis:

"Q. Were there reports in these journals and papers between August 1, 1965 and December 1965 concerning the activities of the Libyan oil people? A. Yes.

"Q. Do you recall what they said? A. This had to do with the change in the Libyan petroleum law.

"Q. In connection with that change, did Occidental file several papers? A. At the end of December.

"Q. Did it not? A. Yes."

Passing from line 9, page 53, to page 54, line 3:

(1493) "Q. On your trip to Libya in July of 1965, other than at the convocation, as I have called it, did you meet or talk to Mr. Kabazi? A. No.

"Q. By the way, did you stay overnight in Beida or did you go up from Tripoli to Beida on the occasion of the opening? A. Which night?

"Q. You told us you were in Beida for the opening on July 31, 1965. A. Yes.

"Q. And that began some time in the morning, I think you said? A. Yes.

"Q. Did you stay overnight in Beida on July 30, 1965? A. No.

"Q. Did you come up from Tripoli on the 31st of July? A. Yes.

"Q. But you did file the application in Tripoli? A. Yes.

"Q. And you stayed in Tripoli until you came to Beida on the morning of July 31, 1965? (1494) A. That is correct."

Reading at the instance of defendant, but without objection:

"Q. Did you stay in Beida overnight—that would be the night of July 31, 1965? A. No.

"Q. Did you return to Tripoli? A. I believe it was Benghazi.

A. C. James Blom, E.B.T.

"Q. How did you get from Tripoli to Beida on the morning of July 31st? A. By airplane.

"Q. Commercial airline? A. No.

"Q. Private plane? A. Yes."

Passing from line 17, page 5 to page 56, line 8:

"Q. According to this schedule, you arrived in Libya on February 10th and you left on April 12, 1966. Will you accept those dates? A. Yes.

"Q. During that period of time, did you attend a Tripoli trade fair? A. Yes.

"Q. Did Occidenta have some sort of a movie at (1495) that trade fair? A. We had a booth in the American Pavilion in which a projector was set up which showed a motion picture.

"Q. Were you present during the entire day that booth was open? A. No.

"Q. How many days was the booth open? A. Approximately six weeks.

"Q. When did it open? A. In February.

"Q. Was it before or after your trip to Libya? A. It was after we arrived in Libya.

"Q. Can you tell us how long after? A. I would imagine within five days or thereabouts.

"Q. Were you present at any time when this movie was shown? A. Yes.

"Q. Was Mr. Kabazi present? A. No.

"Q. Were any Ministers present? A. Yes. Mr. Mazek.

"Q. That is the Prime Minister? A. Yes. Mr. Ogbi and Mr. Mazek.

"Q. Mr. Ogbi was Minister of Labor? (1496) A. And Social Affairs.

"Q. Do you know when he became Minister of Labor and Social Affairs? A. I don't know.

"Q. Do you know when Mr. Mazek became Prime Minister? A. I believe March 1965.

"Q. You are sure it wasn't June of 1965? A. No.

A. C. James Blom, E.B.T.

"Q. At the time of your first trip to Libya in February 1965, was Mr. Muntasser the Prime Minister? A. Yes.

"Q. Starting from that date, can you tell us when Mr. Muntasser resigned or left the Prime Ministry? A. It was my impression it was late in March.

"Q. 1965? A. 1965.

"Q. Did Mr. Ogbi become Minister of Social Affairs and Labor at the time that Mr. Mazek became Prime Minister? A. I don't recall that.

"Q. He was certainly Minister of Labor and Social Affairs at the time the concessions were granted in February 1966? A. Yes.

"Q. And he had been for some months before?

* * *

(1497) "Q. Did you hear from any source on February 20, 1966 that Occidental had been awarded some concessions? A. Yes.

"Q. From whom did you hear that? A. From Mr. Ogbi.

"Q. Did Mr. Ogbi tell you on that occasion the number of the blocks which you had been awarded? (1498) A. Yes.

"Q. Did he tell you that you had been awarded 42B and 44, which had been changed to concessions numbered 102 and 103? A. No.

"Q. What did he tell you on that occasion? A. He said that we had been awarded blocks 42B and 44.

* * *

(1499) "Q. There are some English language newspapers published in Tripoli, isn't that correct? A. Yes.

"Q. Did you read those English language newspapers while you were there? A. Yes.

"Q. Is it not true that the Paris Tribune is also sold in the hotels in Libya? A. Yes.

"Q. Did you read, when you were there February 20th or thereabouts, these English-language newspapers? A. Yes.

A. C. James Blom, E.B.T.

"Q. Did these English language newspapers report the grant of the concessions? A. Certainly the Tripoli newspapers did. I don't know whether the Herald Tribune included this information or not.

"Q. Did the Tripoli newspapers state what Occidental had been granted? A. They stated the block numbers.

"Q. That Occidental had been awarded? A. Yes.

"Q. Did they state the block numbers which other oil companies had been awarded? (1500) A. Yes."

Continuing reading, at the instance of defendant, but without objection:

"Q. Can you tell us on what day you saw that for the first time in the Tripoli English-langauge newspaper? A. No.

"Q. Was it the day following the grant of the concessions? A. As I recall, the most popular English-language newspaper at that time was the Sunday Ghibli which came out only on Sundays and I don't recall what day of the week the February 20th was.

"Q. According to this calendar, February 20, 1966 was a Sunday. A. In that case, I didn't see the news for a week."

• • •

(1503) "Q. Between February 10th and February 20, 1966, did you meet Mr. Kabazi? A. What dates?

"Q. February 10th and February 20, 1966, that is the date of arrival and the date of grant. A. No.

"Q. Do you know whether Mr. Vaughan did? (1504) A. I don't believe so.

• • •

"Q. Is it your best recollection that in February 1966, there was no English-language newspaper published in Tripoli on a daily basis, other than, let's say, (1505) Sunday? A. That is my recollection.

"Q. And that the only English-language newspaper published in Tripoli in February 1966 was the Ghibli, which was published one day a week? A. That is my recollection.

"Q. After the grant of the concessions had been announced, did you participate in the discussions concerning the execution of a formal contract? A. No.

"Q. Do you know who did on behalf of Occidental? A. Mr. Vaughan spoke to the Ministry of Petroleum Affairs officials in this regard.

"Q. But you were not personally involved? A. No."

* * *

(1506) "Q. Do you know whether or not Ogbi was a member of the Supreme Petroleum Council? A. I don't believe he was."

* * *

(1507) "Q. Did Mr. Lawler select the concession blocks you should bid for? A. No.

"Q. Who did? A. Mr. Vaughan."

* * *

"Q. Did you make any recommendations to Mr. Vaughan concerning the bidding blocks? A. Yes.

"Q. What were your recommendations? A. My recommendations were an evaluation of many of those available blocks in the Sirtre Basin.

"Q. Did you make your evaluation from information supplied solely by Lawler or from some other source? A. My evaluation is based upon what I feel about the information from Mr. Lawler, as well as the information about the producing fields in the area, as well as information in the oil and gas trade journals and technical journals and is a compilation of all of the available information that I had in my possession at that time.

"Q. Where did you get the information concerning the producing fields? (1508) A. Again, from the official state-

ments of the Ministry of Petroleum Affairs, from the trade journals, from various sources. Also, some statements made to Mr. Vaughan and to myself in Libya.

"Q. By whom? A. By the geologists whom we met there.

"Q. Were these geologists working for other oil companies? A. Yes.

"Q. But they were not geologists working for Occidental? A. That is correct.

"Q. What other detail or information did you base your evaluation and recommendation on? A. No other.

"Q. What were you told about producing fields upon which you based your evaluation? A. The number of wells, the depth, the average production per well, total production for the field, the pipeline connections, date of origin of production, all of the statistics and technical details that had to do with those producing fields that were available.

"Q. Was this information supplied to you in writing? (1509) A. Much of it is in technical journals and there was a weekly statement in the Sunday Ghibli, for example, about the drilling depths and the Ministry of Petroleum Affairs on a monthly basis put out statistics about the production from fields, gas and oil.

"Q. Did you also receive oral information concerning those producing fields? A. Yes.

"Q. Who gave you that oral information? A. Dick Vaughan and other geologists in Libya and Mr. Lawler.

* * *

(1517) We now proceed to the reading of the "deposition of Fuad Kabazi, a witness on behalf of the Plaintiff in the above-entitled action, taken before Ralph H. Cadeaux, Consul of the United States of America, at the American Embassy, Grosvenor Square, London W. 1, England, on Tuesday, April 29, 1969."

Faud Kabazi, E.B.T.

"FUAD KABAZI, the witness, was duly sworn."

Commencing at page 10 of the transcript, this does not apparently have numbered lines, so I will refer to it near the bottom of page 10 where it says,

(1518) *"Direct Examination by Mr. Greenspoon:*

"Q. Mr. Kabazi, will you please state your full name and business and home address for the record, please? A. My name is Fuad Kabazi; my home address, official address, is 40, Shara Garnata, Tripoli, Libya.

"Q. Mr. Kabazi, prior to today have you ever seen or talked to Herbert Allen, Sr., who sits to my right? A. No, I have never seen him in person; photograph, yes, indeed; but not in person.

"Q. Prior to today, Mr. Kabazi, have you ever seen or talked to Charles Allen Jr., who is Mr. Herbert Allen's brother? A. No, definitely not. Actually, I don't know which is which.

"Q. Prior to today, Mr. Kabazi, have you ever seen any member of the firm of Allen & Company or talked to any such member? A. You mean staff?

"Q. Yes. A. No.

"Q. Do you know Mr. Ferdinand Galic? A. Yes, quite well.

"Q. When approximately did you first meet Mr. Galic? (1519) A. The first time was in 1964. I can't tell you the month because I didn't keep a record.

"Q. Was it in the fall of 1964? A. Yes, it must be around then, when he first came officially on the introduction of Mr. Taher Ogbi, who was stated at that time to be the local representative of Occidental Oil.

"Q. Who was present at that time when you met Mr. Galic? A. Besides Mr. Ogbi, there were two other gentlemen and Mr. Galic. I don't remember the names. I know

the face of one of them, a tall fellow. I remember where he was sitting.

"Q. Would the name Mr. Brenner refresh your recollection? A. Somebody was talking on behalf of Allen & Company, and he told me actually most of what Allen & Company is and its relation with Occidental, and he did much of the talking, more than Mr. Galic himself."

Mr. Nizer: Move to strike out that answer as not responsive. "Somebody was talking on behalf of Allen & Company," from there on.

Mr. VanVoorhis: I submit that it is very definitely relevant.

(1520) The Court: The objection is that it's not responsive.

I will sustain the objection.

By Mr. VanVoorhis:

"Q. But you don't recall that gentleman's name? A. No, because I didn't keep any record. At the time it was very early for the purpose for which they came, and it is one of those visits which I receive and I don't even keep records. It was what they call an acquaintance or introduction.

"Q. Did you meet me on February 10, 1969, in Tripoli, Libya? A. Yes, of course, on the marriage of Mr. Shahli."

The Court: Who is the "me," Mr. Greenspoon?

Mr. VanVoorhis: Yes.

"Q. Did I have a meeting with you at your office? A. Yes, you called and you wanted to see me and actually we had a meeting.

"Q. About how long was that meeting at your office? A. From one hour to one hour and a half; maybe a little more."

* * *

(1521) "Q. Were you the Minister of Oil or of Petroleum of Libya at any time? A. I was twice, once in 1961, then I went out late in 1962.

"Q. And when did you become Minister of Oil again? A. Again it was in March 1964.

"Q. And when did you resign as Minister of Oil? A. I resigned very early, but they didn't approve my resignation until the 4th April, 1967.

"Q. So you were the Minister of Oil from about (1522) March of 1964 until April 1967? A. 4th April, exactly.

"Q. During that period of time did you ever meet or talk to Mr. Hammer of Occidental? A. Not at that time, I don't remember.

"Q. Was there a time after you left the Ministry of Oil that you did talk to Mr. Hammer? A. Yes. He came to my house. I don't remember how long after. It was just that period. It should be in April, anyhow.

"Q. Of 1967? A. After I left the Ministry Dr. Hammer called on me. I was not in the office. He called kindly at my house.

"Q. Can you tell us what you and Dr. Hammer said to each other on that occasion, Mr. Kabazi? A. I remember we talked normally, as we did with you."

* * *

(1523) "A. Everybody came in. The first thing to talk about with me is poetry, arts and so on. Then I think he was accompanied by two people. He asked the two people to go out for a moment. There was also I think a Libyan young man who was introducing Dr. Hammer. Then he asked me whether I knew Allen, and I said 'Yes, by that time, and because of the business itself.' Then he said whether I knew Mr. Galic. I said 'Yes, we are friends, actually.' He asked me whether I knew that he was no longer a representative of Occidental. I said 'No, I didn't know about this.'

* * *

Faud Kabazi, E.B.T.

(1524) By Mr. VanVoorhis:

"Q. Was there any mention made about Mr. Galic's activities in connection with the concessions at that meeting? A. Yes. He asked me whether he did work for anybody else.

"Q. What did you say? A. It doesn't result to me.

"Mr. Nizer: It what to you?

"A. Whether Mr. Galic has worked for any other oil company. I said 'I can't state that'"—

* * *

"A. —because with him we only talked about Occidental."

* * *

(1525) "Mr. Greenspoon: Could you tell us briefly your educational background and your background in Government service and in business? A. My education starting from scratch?

"Q. High school. A. First of all I was graduated in an Italian school as a surveyor; not really, as they say, engineer, but building surveyor. After the occupation of Libya I had a a chance to learn English, so I got my matriculation, as they called it at that time, and continued my study in engineering. I did civil engineering and I came to England for two years of training between 1950 and 1952. Then I was immediately appointed technical assistant to the General Manager of the Libyan Development and Stabilization Agency, during which term I have been borrowed by the Regional Ministry of Public Works as Tripolitania District Chief Engnieer, then Deputy Director-General—that was between 1952 and 1954—and in 1954 I was appointed Regional Minister (what the Libyans call Nazir) for Public Works, and I stayed till around July 1966.

"Q. July of what year? A. 1966. Pardon; 1956. In 1957 I was appointed Under Secretary of Communication in the Federal (1526) Ministry of Communication and stayed there for four years till I was appointed in 1960 as Minister of State of Technical Affairs. In 1961 the Ministry of Petroleum Affairs was created, and I was the first Minister to take a position."

* * *

"A. So as I said before in 1961, I was Minister for Petroleum and again in 1964. In between I went into business, made and lost a lot of money of course, came back to the government as mentioned, and then in 1967 after my last resignation"—

"Mr. Nizer: I didn't understand you when you said in between. In between what?

"A. Between the first time I mentioned 1961/62 was the first term in the Ministry and 1964, so for two years I had been in business. I opened a consulting (1527) office in engineering, petroleum, fiscal and economic affairs, with a group of local professionals, which is called Libycousul. That is where Mr. Greenspoon visited me."

* * *

(1528) "Mr. Nizer: What day was that?

"A. 10th April, I remember.
"Mr. Greenspoon: 10th February.
"A. 10th February; because of this marriage—
"Mr. Nizer: 1969?
"A. This year."

Top of page 17.

"Mr. Greenspoon: At the time that you became the Minister of Oil, Mr. Kabazi, were there any plans in existence to grant concessions to anyone? A. No, not at that time.

Faud Kabazi, E.B.T.

"Q. When, prior to 1964, had the last concessions been granted? A. It was somewhere in 1959, between 1959 and 1960. I think the last one was definitely 1959.

"Q. 1959? A. The last concession was in 1959. That is Phillips and (1529) Atlantic, I think it was.

"Q. Now at that point when you became appointed as Minister of Oil and thereafter, did you work on plans to grant some additional concessions? A. Well, that was the first thing I started to study—"

* * *

—"because we were already at the verge of a crises in the oil activity because the supporting services in Libya were reduced to a minimum, which made people very uncomfortable, especially the transportation section and catering."

It seems to me, under the latitude that your Honor has been granting—

The Court: I think so. It really has no bearing on the direct issue.

Mr. Nizer: I objected to all of it, but—

The Court: Well, I suppose he was building himself up and what he was doing for the people of Libya.

"A. Catering; supplying materials and food especially to the oil fields. So we had to enhance and try to cause another boom to get people who invested their money in these services to actually (1530) make a profit now. That was the time. There was a lot of opposition because when you talk about concessions everybody wants to be in Government, you know. So we had awful pressure on the Government. But still I insisted we should do that, whatever is the price of it, for the sake of these people.

"Mr. Greenspoon: And in any event at that point you and your staff began to develop plans for some new concessions? A. Yes. We made all the various adjudica-

tions, what do they call them, the system to be followed, the study of the areas and the division of the acreages, whatever suitable blocks; there was a lot of work.

"Q. Can you tell us something about the organization of the Ministry of Oil? I take it that you as the Minister of Oil were the head of the department? A. Yes.

"Q. Did you have sub-heads of the department? A. The Ministry was quite young. It was set in 1961, as I said, when I was first in; but at that time it wasn't the organization responsible for exploitation of oil because a Commission existed. So the first thing to do was to absorb this Commission. As a matter of fact the first departments in the Ministry were exactly the same (1531) sections and offices which existed in the Commission itself. Then we tried to develop it gradually on a wider scale; but the most important department was actually the geological service and the financial section, and in 1964, of course, the financial section was much busier than before because revenue started to flow in.

"Q. Now, by the time that you became the Minister of Petroleum in March of 1964 had the Commission been abolished? A. It was already abolished in 1963 before my coming.

"Q. Was there a time when you decided to ask for concessions in Libya? A. There was a time. Actually we decided to open—you mean the opening of the bids?

"Q. Yes. A. At that time was there some sort of an organization set up in the Ministry of Oil to handle the bids? A. By law there was the High Petroleum Council? Q. And who was on the High Petroleum Council. A. It was chaired by myself as the Minister of Petroleum, then it had various other Ministers, about four Ministers, in it; that is the Minister of Economy, Minister of Finance, Minister of Industry, Minister of Planning, of (1532) course, the Minister of Petroleum is one of them, and three experts from either Civil Serv-

ants—in fact there were civil servants—or professional people who knew about law, economy and finance.

"Q. Were these five Ministers that you mentioned members of the Federal Cabinet? A. Yes.

"Q. Now within your Ministry of Oil did you also have a department or a division set up to handle the concession bids? A. We set a sub-committee which actually was charged with the implementation of the decisions of the Council itself or the preparation of papers, documents, tables and statistics for the Council itself, and it was formed by myself, the Director of Petroleum and the Secretary to the Council.

"Q. What was the name of the Director of Petroleum? A. At that time it was Mr. Mohammed Girushi.

"Q. And the other gentleman's name? A. The other was Imbrahim Hangari.

"Q. And were you the Chairman of this sub-committee? A. Yes.

"Q. To go back to this meeting in the fall of 1964, which was with Messrs. Ogbi and Galic and two tall thin men, (1533) I believe you said— A. One is really tall. The other one, I don't know.

"Q. Was one of those men Mr. Vaughan? A. I saw Mr. Vaughan so many times. I don't remember which occasion I saw him. I can't say whether it was Mr. Vaughan.

"Q. Now who arranged that meeting? A. That was Mr. Ogbi.

"Q. Was the meeting held at your office? A. Yes, in Tripoli.

"Q. Can you tell us what was said, if anything, about Mr. Galic at that meeting? A. He was the representative of Occidental.

"Mr. Nizer: Who?

"A. I mean Mr. Galic was"—

Mr. Nizer: I object to the balance of that sentence.

* * *

"A. I mean Mr. Galic was introduced as reprseentative talking on behalf of this company and as also the man, the trust, of Allen & Company, and so on."

I think it is perfectly proper, your Honor, as part of the conversation. It is not necessarily probative (1534) of the fact.

Mr. Nizer: It is clearly hearsay and there are two men not identified who are part of this conversation. It apparently means that they were talking, as you will see a little later, and therefore I object to the other questions and answers.

The Court: I will take the statement of Judge VanVoorhis on that. It is not proof of the fact. Moreover, it isn't clear from the answer of the witness as to whether Mr. Vaughan was in fact present on that occasion.

Mr. VanVoorhis: I think that is clarified later.

The Court: At this point, it isn't clear to me. He says Mr. Vaughan was present on a number of occasions but he can't identify this specific one.

All right, you go ahead.

Mr. VanVoorhis:

"Mr. Greenspoon: In other words, the man you are referring to as Mr. Galic was—

"A. He came out as an Occidental man and talking on behalf of Mr. Allen as the financier of Occidental.

The Court: I don't think I will take that on a matter as vital as this issue is in this case. I am not going to accept hearsay testimony with respect to essential matters in the case.

(1535) Mr. Greenspoon: But, your Honor, this is not hearsay at this point.

The Court: When he says he came out as, that doesn't mean anything. I don't know whether that is his conclusion.

Now, lawyers were there questioning the witness at the time and it seems to me on its face that the answer was somewhat obscure and ambiguous and could have been clarified.

Mr. VanVoorhis: I am not disputing your Honor with reference to that being—

The Court: I think these are very vital, important matters and concern the rights of parties and I won't take hearsay matter on something as essential as the items involved in this matter.

Mr. VanVoorhis: Your Honor, may I simply say, at this point, that on behalf of Mr. Allen as the financier of Occidental, that does appear to be conclusory, but we think that that is different from the hearsay objection. I am not pressing it because of the conclusory nature of that particular statement, but with respect to hearsay, these are verba, acts, they are an integral part of what Galic turned up.

The Court: Well, I have already stated my (1536) position. Let's go on, please.

* * *

"Q. What did Mr. Galic have to say on that occasion in the fall of 1964? A. Himself and the other two gentlemen answered all my questions about what is Occidental, what it does in the States, when was it formed, what is Mr. Allen's business and how he can back up such an enterprise, and so on. Of course, I had the duty to understand what I am dealing with.

* * *

(1537) "Q. Was there any mention made of the business of Allen & Company on that occasion? A. Very extensively.

"Q. What did they say was the business of Allen & Company? A. It is one of the biggest companies in the

States; it can raise money, and it can telephone to any bank and can have the reference. At that time I didn't put down all what they said because even the concessions were not still going to be opened officially; but I told them I am going to work hard to get these concessions, you know, adjudicated."

* * *

"Q. Was there anything said at that meeting about any relationship existing between Allen & Company and Occidental?"

Mr. Nizer: I object to the answer as not responsive and also improper and, in any event, not admissible or binding on the defendant.

(1538) The Court: Here he talks of the impression that he had.

Mr. Nizer: Yes.

The Court: Well, I will take it as the alleged conversation but certainly not as proof of the basic facts which must be established with respect to the plaintiff's claim. Are you contending that you can establish the agreement between the—the alleged agreement between the plaintiff and the defendant on the basis of this conversation?

Mr. VanVoorhis: No. It is only offered for what your Honor just stated.

The Court: All right, let's go on.

Mr. VanVoorhis:

"A. Actually I understood a lot of things, you know, in time; but at that time it was the impression that Occidental and Allen was one thing.

"Q. You mean like partners? A. No, just as financiers."

Mr. Nizer: I object.

The Court: I think you would not disagree with me, that was quote a leading question?

Mr. Greenspoon: I don't think it was objected to, your Honor. Mr. Nizer rarely, if ever, objected to the form.

(1539) The Court: All right, let's move on.

* * *

"A. No, just as financiers. Of course, financiers might not be partners. Financiers and operators. So I was talking with a complete team or block or something like that."

* * *

"Q. Now, at any time between that fall meeting in 1964 and the date of your meeting with Mr. Hammer in 1967 did anyone tell you that Occidental had terminated Galic's relationship? (1540) A. No, they didn't, neither about Mr. Galic himself. I mean nobody told me what was the relationship and what happened between them and whether they terminated either of them.

"Q. 'Either of them' meaning Mr. Ogbi and Mr. Galic? A. Yes. In fact Mr. Ogbi at one time became Minister in the Cabinet with me and he never told me this."

Mr. Nizer: I move to strike out everything after "Yes."

Mr. VanVoorhis: I submit that is responsive.

The Court: No, it is not responsive. Strike out the balance after "Yes."

Mr. VanVoorhis: The question was whether anyone told him.

The Court: Well, it is either yes or no.

Mr. VanVoorhis: Near the bottom of the page.

"Q. By 'adjudication', do you mean the grant of the concessions? A. Yes, the real grant, because until the last day you can never say it is a grant even if you have decided.

"Q. From the fall of 1964 to the date the concessions were granted in February of 1966 about how many con-

versations did you have with Mr. Galic? A. Too many. I think every time he came to Libya the (1541) first person to see was myself. We met also in Europe. We corresponded approximately every fortnight, the time it takes two letters to go off and back, and, of course, we were too much connected, you know. So I can't tell how many times. I would have to take all my passports and see how many times I went to Rome, Vienna and Geneva and so on.

"Q. Would you say that you saw Mr. Galic on at least 20 occasions during that period of time? A. I wouldn't say 20, but maybe 10 or 12.

"Q. In addition to seeing him face to face, did you also have telephone talks with Mr. Galic during that period of time? A. In Europe approximately every day, every two days, even for other things. Telephone calls we had all the time. In Europe it was very easy, not in Libya now. He never telephoned me during that time from outside Libya, though he did afterwards when the improvement of the telecommunications system came in.

"Q. Did these talks with Mr. Galic continue after July of 1965? A. Yes, it continued very narrowly because I kept him informed of every small details.

"Q. Kept whom informed? A. Mr. Galic.

(1542) "Q. Small details concerning what?"

Mr. Nizer: I object to the balance as hearsay. Even the previous was very questionable, since it was particularly after July, when he was terminated, your Honor. He was not our representative under any theory.

Mr. VanVoorhis: Well, that is part of the dispute in the lawsuit.

Mr. Nizer: That is true.

"A. Concerning the concession, how it is going, the various difficulties, the clashes and rumors and so on. Of course, he was very active in collecting this information.

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"Q. During these conversations both before and after July of 1965 did you and Mr. Galic discuss Occidental and Allen & Company? A. Yes."

* * *

"A. Yes. This was actually the (1543) main topic which interested him.

"Q. What did Galic say to you in these conversations about Occidental and Allen & Company? A. Of course, you have to resume, you know, the whole conversation. Sometimes they vary.

"Q. In substance, not word for word. A. Sometimes, for instance, we talk about how we can get this concession; other times we think 'What happens if it is true what people say about Occidental?', and it would be an awful lot of money to be invested. So if you don't keep a record of these conversations, they are all meant to overcome and reach the goal by any means. So we exchange views all the time."

Mr. Nizer: Your Honor, may I have a continuing objection to this so I don't interrupt?

The Court: Yes. I am receiving this on the same basis but, clearly, gentlemen, I don't know why you argue it so much. Go to the bottom of page 24, "Q. What did Galic say to you in these conversations about Occidental and Allen & Company?" And how would that be binding on the defendants? You tell me how it would be binding, that kind of hearsay conversation.

Mr. VanVoorhis: This raises a rather important question in the case. We are not offering these (1544) conversations as proof of the facts stated in them but as verbal acts with respect to the turning up, to quote the language of this letter of December 17, 1965, of the concessions by Galic and we consider that the representations by Galic to the Minister of Petroleum of the financial standing, stability,

importance and banking of Allen & Company as a very important part of this turning up of the concessions.

The Minister of Petroleum and the Libyan Government, we contend, relies upon the financial standing of Allen & Company as supporting this venture and while we don't offer the conversations as proof of these statements which are made in them, we regard the communication of this information to the Minister of Petroleum of Libya and his reliance on it as a very important part of this lawsuit.

Mr. Nizer: Your Honor, it is conceded that the application submission didn't mention Mr. Allen's name, Allen & Company's name, or Mr. Galic's name. If this is so important, how is it that nothing of that character was requested by the Minister or anyone else? Your very emphasis upon the importance of these representations and reliance is belied by the actual documents.

The Court: Well, Mr. Nizer, that isn't an answer (1545) to the position that your adversary took. As I understand his statement to you, he is limiting this evidence too, really, an offer of proof in furtherance of the claim that the concessions were based on what was turned up by Galic, that is referred to in the letter.

Is that correct?

Mr. VanVoorhis: Yes, your Honor.

The Court: And this doesn't go at all to one of the basic issues in the case, as to what the agreement or the alleged agreement was between plaintiff and defendant. Your statement responds to him simply as an argument to the trier of the fact that in the light of the circumstance of the application itself or the submission contained no reference to Allen & Company as being a financial sponsor when

taken together with the circumstance that there was in fact letters from the Chase Manhattan, who indicate that the trier of the fact should reject the testimony—isn't that what your argument comes down to?

Mr. Nizer: Yes, your Honor. As to Judge VanVoorhis' other argument, just a brief observation: apparently this is all limited to an attempted to prove performance, and that of course doesn't go to the basic other issues, whether there was a contract at all or acquiescence, and so on. Even on the subject of performance, (1546) such statements are not binding upon the defendant except in a brokerage case to show performance, which is an exception to the rule, but in this kind of case, where it isn't Galic who is in court suing, where it is the plaintiff who is suing in reliance upon what he claims Galic turned up, such testimony as this is not binding upon the defendant because it is clear hearsay and I think the authorities we submit in our brief will demonstrate that.

The Court: Well, Mr. Nizer, how would the plaintiff establish that the concession was turned up through the efforts of Galic?

Mr. Nizer: Not by conversations of a third party to another third party never communicated to us.

The Court: Well, he was the Minister of Petroleum, wasn't he?

Mr. Nizer: Yes, but that wouldn't be binding on us, this kind of conversation. That is exactly the point that I think these cases do demonstrate: if the plaintiff is suing, particularly in a brokerage case, which is an exception and, again, limited, as Judge VanVoorhis said, not to the truth of the substance but the fact that there was a conversation which constituted the act of performance, it might

be admissible, but not in this kind of case unless it is in our presence or communicated to us.

(1547) On top of that, in this case you have another frailty that they cannot overcome, and that is that the conversations were after July, 1965, and therefore it cannot even be pretended that he was speaking for us. He was never an agent, in the first place; he was an independent contractor of some kind, he couldn't bind us, nor could Kabazi. The very Moffett case that your Honor cited in the Second Circuit, Iranian American Oil Company case, the plaintiff offered in evidence in that case an alleged statement made by one government official regarding the comments of other government officials in defendant's absence and which was held to be inadmissible. The court said the testimony was hearsay so far as it purported to report anything done or said by a British representative, and in support of that claim the plaintiffs ought to introduce a comment made by the American representative to him regarding discussions he had with British officials concerning the loan or the commitment, and the defendant was not present and this evidence was rejected by our Court of Appeals as hearsay.

The Court: I think the record is clear now as to what limited extent this evidence is being received. So let us proceed.

Mr. VanVoorhis: Your Honor, at this time, since (1548) we are going to come to it soon anyway, I think I should call to your attention that the Libyan law, article 5.1 on eligible applicants expressly provides that the Minister of Petroleum Affairs shall consider applications for permits or concessions submitted by eligible applicants only, and in determining the eligibility of any applicants, the Minister of Petroleum Affairs shall have regard of the

following: A, furtherance of the public interest and B-4, his financial and technical capacity to conduct the contemplated operations.

The Court: Well, I am sure that Mr. Nizer in no respect disagrees with that statement. In fact, he will strongly rely upon it and say that this is true and the financial responsibility was contained in the application.

Mr. Nizer: Precisely.

The Court: That was exactly the point he made a moment ago. He said you don't do it in an *ex parte* setup and in a conversation with a man.

Mr. Nizer: That is right.

The Court: I think we are all clear on this—at least I think I am.

Mr. VanVoorhis: I just wanted to point out in view of this argument which has been made that the situation in some respects is not unlike that where a statute provides (1549) for an award to the lowest responsible bidder. It is always open to the contracting municipality, or whatever the entity may be, to verify the financial responsibility under those circumstances.

It is, I think, commonplace to follow that up under circumstances subsequent to the making or placing of bids.

Anyway, I don't want to argue further at this time, but I did want to say that much in view of this argument which has been made by Mr. Nizer.

May we proceed?

The Court: Realistically, I don't think you are apart on the subject at all, except as to the fact with respect to the exercise of discretion and what was relied upon insofar as financial responsibility is concerned. That is really your difference.

Mr. VanVoorhis: Page 25, a third of the way down:

"Q. Did Mr. Galic in these conversations tell you what he wanted for Occidental? A. Yes. He repeated exactly what they put actually in the application, the numbers of blocks.

"Q. Did he ask you to grant concessions to Occidental? A. The whole purpose of his contact and close relationship was to get this done."

(1550) Mr. Nizer: I object to that and move to strike it out. I would like a continuing objection to this, please, your Honor, and I won't interrupt.

Mr. VanVoorhis:

"Q. Now you mentioned something about the truth about Occidental, could you tell us what you meant by that? A. The trouble is this, you know, that Occidental was the first company to ask about concessions and when concessions would be opened, and so on, and many people in the Ministry found that Occidental wasn't on the list of an oil company, or at least prospecting, and that a chemical company has no experience in this field, and so on, and also because everybody in town at that time used to say that he was talking on behalf of Occidental, you know. So a lot of rumor went around, and in one instance I remember even Mr. Vaughan was very concerned about certain rumors. He asked me whether I was impressed by it. I said 'Politically not. I am going ahead on the business.' So it means I had to find enough ground to introduce Occidental.

(1551) "Q. Now you say that Occidental was the first to ask about concessions. Can you fix the time when that occurred? A. Well, first it was slight friendly contacts by people who just knew me"—

Mr. Nizer: That is not responsive. I object to that, "Can you fix the time."

The Court: Well, it's a category of extremely doubtful testimony, but there is a little color in it. We will let it in.

Mr. Nizer: Okay.

"A. Well, first it was slight friendly contacts by people who just knew me either in Europe or in Libya. They came on purpose to ask when concessions would be opened. I can name two names, for instance—maybe they will sound funny to Dr. Hammer—one was a certain General DeRovin; he was just sneaking everywhere, you know; and another one who actually I didn't expect him to be interested was a certain—anyhow his surname is Slim; he is alive, the brother of Munji Slim, the Minister of Foreign Affairs or the representative of Tunis in New York. Of course, my answer was always: 'There is no concession for the time being, and Occidental will be eligible if we can have what we expected to find (1552) in their own background and so on.' But it was just what they call it, sort of—

"Mr. Nizer: What background? I didn't hear the word.

"A. The background. It means technical and—

"Q. Did you say that Roman background? A. I think it doesn't matter if I have to repeat the word, but I said 'about the background.'"

Now skipping to the three lines from the bottom of the page:

The Court: Page 27?

Mr. VanVoorhis: Yes, that's right.

"A. I always thought that any people or any company could be eligible and in that case it was Occidental, if we find what we want and that we expect them to be seeing their own background; that means in the oil business; and of course the oil business has various fields of activity. It might be a refiner, might be a marketer, might be just prospecting companies.

"Q. Now, during the course of your conversations with Mr. Galic did he show you a book called 'Money, Money, Money'?"

Mr. Nizer: I object to the answer. Move to strike it out, particularly in the light of the (1553) last answer on that page in which he says he didn't really need to read it and evaluate it, and so on.

Mr. VanVoorhis: This is part of the communication, your Honor. It's a booklet which relates to the Allens.

Mr. Nizer: Complete hearsay.

Mr. VanVoorhis: Might as well produce the book. It's going to be in a moment.

If I may, while your Honor is still continuing this, since it's closely related to this particular question, if I may, I will read the next two questions. The answer to that was:

"A. I don't remember when, but he showed me how the company made and how strong. His whole concern was to show how these—

"Q. I show you this book, which is called 'Money, Money, Money,' and I ask you if during the course of your conversations with Mr. Galic he showed you that book or any part of it. A. Actually, I don't"—

Mr. VanVoorhis: Stop there. That's what we are now doing, your Honor.

The Court: Well, he said I didn't need to read it and evaluate it and so on.

(1554) Mr. Greenspoon: He said he looked at the pictures and saw something else.

Mr. VanVoorhis: He said he looked at the pictures and saw some figures.

The Court: I think we will save time. I am going to take this on the same basis I have taken so much other material which has been offered

which in my opinion has no real bearing on the case and is just general talk, general conversation. I think we ought to get down to the gut evidence really.

Mr. VanVoorhis: We—

The Court: I have said what I have to say.

Mr. VanVoorhis: Continuing:

"A. Actually, I don't remember the cover, but I can find the photographs. In fact, I can't tell which is which because they are all Allen, you know.

"Q. Would you please turn to page 180, I believe, and let us know if that is the article which Mr. Galic showed you. A. As a matter of fact, I just kept asking 'Who is Charles Allen?' you know.

"Q. Did you read the article which begins at page 180 of 'Money, Money, Money'? (1555) A. Well, I read only a few lines, like these lines. I was just interested to fix the faces and see the organization, a few figures and so on, like 200,000,000, a billion, and so on.

"Q. So you did read the article and look at the pictures? A. No; just looked at the pictures, saw some figures. Of course, I was trusting what Mr.—I didn't need to read it and evaluate it and so on.

"Q. You said you trusted whom? A. Mr. Galic, what he said, all the time. Then gradually"—

Mr. Nizer: Move to strike out the balance of whom he trusted, Mr. Galic, and strike out the rest of the answer.

Mr. VanVoorhis: I think the rest of the answer is responsive. You have to remember that this man who is perfectly literate, he seems to speak better English than many native born Americans in many places, but he is nevertheless forming his sentences in a—

The Court: Well, having said what I said, let's go on, gentlemen. I wouldn't spend too much time on it.

(1556) By Mr. VanVoorhis:

"A. Then gradually I started hearing about Charlie Allen, even in the movie business. Some people mention Charlie Allen. It is a name becoming what they call just familiar. I can't say I know it from the first day, but by continuous contacts"—

The Court: This is hearsay twice removed. Let's go on. I think we can save time. I am sure you ought to have enough confidence that the Court isn't going to consider anything like that. I am stating that on the record now.

Mr. VanVoorhis: We maintain that verbal acts—

The Court: What he heard some people mention Charlie Allen can't—

Mr. VanVoorhis: I think the purport of that—

The Court: Now, Judge, please don't argue with me. I have said it and I am saying for the record I definitely would not consider anything like that.

Mr. VanVoorhis: We submit, respectfully—

The Court: As the trier of the fact I wouldn't.

* * *

(1557) Mr. Nizer: You are not offering the book itself, are you?

Mr. VanVoorhis: Book entitled "Money, Money, Money" marked Exhibit K1 in the deposition.

Mr. Greenspoon: Are you offering it?

Mr. VanVoorhis: I would think it is proper to offer it but if his Honor doesn't feel so I won't press it.

The Court: Really in a case of this kind, certainly this kind of evidence is at best of dubious value.

(1558) Mr. VanVoorhis: We are not of course offering it as proof of the financial condition of Allen & Company; we are simply offering it as a part of the

communication between Mr. Galic and Mr. Kabazi as bearing on what he did in turning up the concessions.

* * *

"Q. During your conversations with Mr. Galic both before and after July of 1965 was there any discussion concerning Occidental's ability to market oil? A. Quite a lot. This was one of the important topics, how Occidental will manage to lift the oil if it was found in great quantities which we expect in those pieces which they asked for.

"Q. What did Mr. Galic say on that subject, if anything? A. At the beginning he said exactly what many others from Occidental said, that they had an agreement with Signal—I think that is a distributing company in (1559) Europe; I don't know whether it is German—which we knew was quite a wide company.

"Q. Was anything else said concerning Occidental's ability to market the oil? A. Besides being also a consumer himself in the States, of course, we doubted about exporting the oil to the States at that time, but there was quite a lot of consumption, and especially gas, because of their industry.

* * *

"Q. Did you have any idea at that time, let us say prior to July of 1965, as to the amounts of money which had been spent by other oil companies in Libya (1560) to find oil? A. Yes, because we had the full statistics of everyone's spending.

"Q. Can you tell us what some of those costs were of some of those companies? A. You mean up to the first discovery?

"Q. Yes. A. Well, some of them went up to 60,000,000, 50,000,000, 45,000,000, 30,000,000. Some of them may have spent 50,000,000 and didn't find, you know.

"Q. I believe you testified earlier that sometime in April of 1965 you asked oil companies to file bids;

is that correct? A. Yes, we put up an official press release with the conditions how the bids should be submitted and the deadline and so on.

"Q. What was the deadline? A. It was three months from the date, and we had it I think towards the end of July in Beida. We opened them in Beida.

"Q. Would July 29, 1965, be the deadline? A. That is right. The deadline was the end of July.

"Q. I believe you opened the bids on July 31, 1965, (1561) is that correct? A. I know what was the day, not the date. I know it was, I think, a Saturday.

"Q. All right. Now, was there any prohibition against filing the bid before the last day for filing? A. No. There was a deadline. Anybody who is ready could file it.

"Q. In other words, you could file on or before the deadline? A. As you are ready. It wouldn't be opened, anyhow; deposited.

"Q. I show you a copy of Plaintiff's Exhibit 74 for identification, and I ask you if you recognize that document. A. I recognize very well the contents, of course, because we had further discussions after the concession had been granted.

"Q. Is that part of Occidental's bid? A. Yes, to build this fertilizer plant.

"Q. Is that document Plaintiff's Exhibit 74 the entire document which comprised Occidental's bid? A. No. It concerns the fertilizer plant.

"Q. Are these all of the papers there, or was there something else filed by Occidental in addition to (1562) this document? A. I would have to see them all, you know. Normally what we ask is their request, special conditions meeting the preferential points, the financial status, the experience and so on. Of course, this is a—

"Q. Perhaps I could help you. Did Occidental file some sort of a brochure of a cattle farm? A. Yes. That was one of the bulkiest pieces, with the agricultural ex-

perience and the breeding of bulls and so on, calfs, in the States or somewhere else. It was a very, very thick piece of attachment.

"Q. Prior to the filing of Plaintiff's Exhibit 74 did Occidental file any papers with the Ministry of Oil concerning its financial condition? A. It was included in the whole thing, not prior; with the bid. Of course, we had to see the financial status first before doing any business.

"Q. Did Occidental file any paper in addition to the Plaintiff's Exhibit 74 which mentioned the name of Allen & Company? A. It should have, because there has been raised quite a bit of discussion about it, you know."

Mr. Nizer: I object to that. It's speculation, not responsive after "It should have." (1563) Even "should have" is not admissible really. The document speaks for itself. It isn't there.

That is conceded in the pretrial order.

The Court: What is conceded in the pretrial order?

Mr. Nizer: That the name of Galic nor Allen & Company—

The Court: There is testimony in the case too.

Mr. Nizer: Yes.

The Court: But that immediately has nothing to do with the objection you are raising.

I will sustain the objection on the ground it was not responsive to the question.

* * *

"Q. Did they file one, do you recall? A. I can't say 'Yes, it did' in this sense, because this was raised, it was mentioned in the meeting when we had discussion on the finance. So it must be there. It must be somewhere with these papers.

"Q. You said 'with the meeting respecting finance.' A. Yes, because the first thing is to review all these papers, put every section separately; then we (1564) start discussing the finance."

Mr. Nizer: Now I move to strike out.

The Court: I want to be clear on this. Is this a reference—you, Judge, know, I don't at this point—the reference to a meeting respecting finance, the committee, the petroleum committee?

Mr. Greenspoon: This is I think called the working committee.

The Court: Is that the committee of nine?

Mr. Greenspoon: No, this is the committee of three which is the working committee.

The Court: How is the statement before his own committee admissible and chargable against the defendant here?

Mr. Greenspoon: I think, your Honor, it is chargeable against the defendants because the actions of this government officer charged under the law with making recommendations go to prove whether or not the concessions were turned up by Galic as per Mr. VanVoorhis's argument earlier.

I don't want to get involved in that argument because he knows that law a lot better than I do.

Mr. Nizer: It just isn't so, your Honor.

Mr. VanVoorhis: It bears on performance, your (1565) Honor.

The Court: Performance is actually what was done in turning up, using the expression as contained in the document evidence—this is simply a statement by the witness to two other members of a committee. And frankly, I don't see how you can expect to bind the defendant by his statements.

Mr. VanVoorhis: Turn up, if your Honor please, is a homemade expression, we had some discussion of it in the opening. It's a layman's phrase, but it may well be that one of the elements in turning up is what Galic did toward bringing about the granting of these concessions.

The Court: Well, that refers to what Galic did in relationship to this witness. Now, I have allowed that for the limited purpose that you suggested. Now you are going beyond it and you are saying that thereafter, sitting down with two members of a committee, he made certain statements to them. How does that prove that in fact they occurred, even that the initial conversation took place?

Mr. VanVoorhis: I am saying that if Galic in the totality of his communications convinced the Minister of Petroleum that these concessions ought to be (1566) awarded to Occidental, and if the Minister of Petroleum convinced the other authorities who were instrumental in awarding them, that that has a very definite bearing on our cause of action.

Mr. Nizer: The statement that you have just made gives rise to the charge of illegality.

Mr. VanVoorhis: It does not.

Mr. Nizer: Well, if they, or the bid itself, if Galic persuades him to do something which is not within the four corners of the statute, your own statement would bring to the attention of the Court the necessity, according to the cases, of throwing out the case at the inception.

Mr. VanVoorhis: Quite the contrary, it would mean that under the statute, the Minister of Petroleum was seeking to determine what was in furtherance of the public interest and the financial and technical capacity to conduct the contemplated operations. This idea—now let me finish—this idea

that anything outside of the four corners of this bid is corrupt or wrong is just a smokescreen. The persuasion of these people, persuasion which was unquestionably going on by all of these oil companies, to persuade them in a matter where they had enormously wide discretion, to grant this (1567) is not illegal, is not corrupt, is not wrong, and the evidence is quite clear that even through other channels than Galic, the defendant here sought to do exactly that, so if anybody, if any charges are made here—I mean, what I am saying is that it's Mr. Nizer and not me who is saying that anything outside of the bid itself, insofar as seeking to convince the Libyan government that the bid ought to be accepted, is wrong.

Mr. Nizer: Well, now, your Honor, I won't protract this. Only a few pages later, even though it isn't read yet, is the sentence by the witness:

"Q. Did you tell Mr. Galic that you would try to fight for 42 or 40B? A. Yes, that was a commitment."

And at four other pages, which are on cross examination and already in direct, one of which you skipped in reading, it was clear that this was not the kind of persuasion you are talking about even if that were permitted. This was a deal and a corrupt practice according to your claim. We deny it. We obtained this on the merits as the evidence will fully show. But I am taking your position. You cannot at this late date attempt, knowing from our brief that it would be required to be dismissed, to withdraw from a (1568) position you previously took and even in an affidavit, an affidavit filed on a motion in this case by Mr. Greenspoon, he stated at this point on page "We submit," said counsel, your counsel, "We submit that it was Galic who carried

the lead in this bargaining day or the bid which turned up the concessions and indeed the Minister of Oil testified so."

In other words, at all times during this case until you adopted at the last moment this attempt to rationalize this as reasonable or innocent negotiation, you were claiming that Galic bribed, bribed the minister, and there is even—

Mr. Greenspoon: Oh, my.

Mr. Nizer: Yes, you have so claimed.

Mr. Greenspoon: I said he carried the lead in the bargaining, that's all I said.

Mr. VanVoorhis: We made no such claims as Mr. Nizer is stating.

The Court: Gentlemen, I think that where we are going somewhat afield from the immediate question. I think each side is now arguing subsequent matters.

At this point I am concerned with a procedural matter, and the admissibility of evidence. Having indicated my own view and in the light of the general (1569) policy I have adopted, I will allow this to stand, but I don't have any hesitancy in saying to counsel this at best is of dubious value even as a factual matter insofar as basic issues are concerned.

Now, I will also take it, Mr. Nizer, on the theory, as I look at the bottom of the page, that this could well have been a general discussion because the witness went on to indicate that at this meeting or perhaps meetings with his two fellow members, so he said, the first talk was about the financial capability of each company.

So I think you all got into a dither about something that really isn't terribly important. Evidently the witness is saying that they were discussing the

financial responsibility of each company, and according to him, he repeated what he had heard about Allen.

So let's go on. Let's not spend too much time on it.

* * *

"Q. You said 'with the meeting respecting finance.' A. Yes, because the first thing is to review all these papers, put every section separately; then we start (1570) discussing the finance. So we had a long talking about the finance, and I had myself to repeat what I heard about the backing by Allen and so on and what should be done about it and whether these statements were real or whether we should stop and go and inquire about all these things and so on, otherwise we would never finish, because we had about 19 companies or something.

"Q. Was this conversation which you have just related a conversation of the Council of Ministers? A. No: the committee.

"Q. And was this after the bids were opened? A. Yes, because we started looking into things. By priority we say 'Now finance. It is good? O.K. So we will put it on one side. We will see next what is their background,' and so on. So the first talk was about the financial capability of every company. Of course, the majors we put aside because we knew they were capable and so on, especially the new ones like Occidental, Circle, Lion, all these new companies which came, you know; they mushroomed during the bid, you know. After we published the bid we had a lot of names coming applying for the documents, the official chart which showed the concessions.

"Q. Now I believe it will be conceded, Mr. Kabazi, (1571) that the date on which you actually opened the bids was July 31, 1965. Is that correct, Mr. Nizer

"Mr. Nizer: Yes.

"A. Is that of importance, because I didn't know I had to be a witness one day in a court, so I never registered these things. It didn't mean anything to me personally, you know, except history.

"Mr. Greenspoon: On that occasion did you personally open the various bids?

"A. Yes. I was sitting like here now and getting help by two other people, you know, to cut all these big envelopes.

"Q. Was Occidental's bid wrapped in any particular colors? A. The Occidental bid was very thick and had, I think, a leather binding and everything and with the nice Libyan color ribbon and so on. It was very fancy and colorful.

"Q. That was the Libyan national colors? A. Yes.

"Q. Green and white? A. They had some ribbons on it. I think it was leather, Moroccan or something; very beautiful binding."

* * *

(1572) "Q. Did you make any comment at the time you opened Occidental's bid concerning the colors in which it was wrapped? A. I never made it myself. The people around me, yes; not myself. I am not supposed to make comments.

"Q. So you did not make any? A. No, I could not make a comment. I shouldn't actually.

"Q. Now at the time you opened the bids did you read off to the assembled crowd what the preferentials were of each of the companies? A. We just started with a few companies and then (1573) we found it too long. So we said 'O.K. We just say only the name of the company, the number of the concession, and that's all.' We didn't read it. It was very complicated, because a paper like

this, it takes a quarter of an hour to see where are the real documents we needed.

"Q. Was Occidental's one of the first opened or one of the last opened, do you remember? A. It should be in the middle. No, it wasn't the first one.

"Q. Did you open them in the order in which they were filed? A. Yes, because we gave them a number as soon as they came in. They were from one to a hundred and something; quite a lot of envelopes.

"Q. Did you mention when you opened Occidental's bid anything about Kufra? A. No, I didn't read that. I saw only these calfs and soon and I didn't understand what was the purpose. Then I knew was to show what you could do with Kufra. You can have grazing and so on and a breed a lot of meat.

"Q. No; but did you mention out loud to the people—(1574) A. No, because I didn't read at that time. Kufra comes somewhere in the documents, so I should have read it; but at that moment I didn't read it.

"Q. By the way, were there many people in this room when you opened the bids? A. Well, there were quite many. Bigger than this room. It was quite full.

"Q. Do you remember whether Mr. Vaughan was present? A. He is the man who actually was introducing. There was Mr. Vaughan, Mr. Ogbi and maybe somebody else; I don't remember; but Mr. Vaughan definitely was there.

"Q. Did you call Mr. Vaughan up to the front to talk to you about his bid? A. No. It seems here that I questioned what he meant by this, you know. In fact the photograph shows that he is close to me, but not specifically to explain anything, what he meant by it, whether this is his. It must be a question.

"Q. Do you remember what you and Mr. Vaughan talked about on that occasion? A. It must be a very simple thing. It would be routine.

Faud Kabazi, E.B.T.

"Q. Did people other than Mr. Vaughan or those (1575) connected with Occidental talk to you on the occasion of opening of the bids concerning Kufra? A. No, they couldn't, because we had been in the meeting from I think 10 o'clock to half past 5 or something like that, very late, and we left; we were hungry; some people didn't eat, and we wouldn't have had any wish to talk.

"Q. After the bids were opened what did you and the committee do about the bids? Did you start to read them? A. We started reading them one by one and making the resume of important documents and the tabulation.

"Q. Who did the reading of the bids? A. The reading was done by two people I mentioned, Girushi and Hangari, and I did the tabulation and comparison.

"Q. You did the tabulation and comparison? A. Yes.

"Q. What did they do? Make up charts? A. Yes, charts for the conditions, the numbers the reference to the original document, and mentioned how many documents are there, what they represent—everything, you know, not to go back. But eventually we had to go back to each one because of, what do they call it, (1576) necessity.

"Q. Did you personally read every one of the bids? A. I read the most interesting ones, very extensively the one by Occidental, of course.

"Q. Did you read the one by Occidental? A. The important thing, the ammonia plant, whether we had to pay anything for it or whether it was free, and so on. Of course, we had to understand these things.

"Q. How long did it take your committee and you to read the bids? A. It took us from July till somewhere in November.

"Q. About three months? A. Three months; and, of course, we still worked after that again, you know, for certain questions which were raised by the Council.

"Q. Now can you tell us what was the first, if there was a first, prerequisite or condition which you looked at or

wanted to see in reading the bids? A. For the new companies it was first of all the financial status.

"Q. What was second? (1577) A. Second was the technical capability.

"Q. Could you explain what you mean by 'technical capability'? A. Whether they can perform drilling, whether they can make a study in geology, appreciate the value of these plots and so on. Then if the plots were very promising we looked into the possibility of marketing.

"Q. That would be the third thing? A. The third, yes.

"Q. And after marketing what was the next criterion? A. Any other thing which would be useful to Libya in the company characters.

"Q. Such as the preferences? A. No, the preferences were included in the comparison; but if the company comes and we see that its presence in Libya would be desirable because of its character, because of its various activities and so on, of course we favored it.

"Q. Did this committee which you chaired make recommendations as to who should get what concessions? A. Yes. After I made the tabulation, of course, I put up my own suggestion how the various concessions should be granted.

(1578) "Q. Who did you put that to? A. To the High Council of Petroleum.

"Q. And that was the Council which you were the chairman of? A. Yes.

"Q. Did the Council at that point accept your recommendations? A. No, it didn't, of course. They never do.

"Q. Did the Council make any recommendations of its own? A. No. We had actually a clash till the last moment; we were told by the Council of Ministers to make any suggestion without creating a deadlock, you know.

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"Q. Who was on this High Council of Petroleum besides yourself? A. Well, there were the various Ministers which I mentioned and the three outsiders plus the Director of Petroleum I mentioned, the Secretary to the Council, and at certain meetings also somebody from my own legal department. It depends on the need of the Council themselves. They can call any expert to express his own ideas about any issue.

"Q. Now, in connection with Kufra was the Minister of Agriculture advised about Kufra? (1579) A. Not at that stage.

"Q. What stage are we at now, approximately? A. In the evaluation of the bids we didn't inform anybody, because we knew it was going to be taken to the Council of Ministers where they can ask questions.

"Q. I am a little puzzled about the distinction between the High Council and the Council of Ministers. A. The Minister of Petroleum couldn't take anything to the Council of Ministers for final decision before having a ruling or just an advice or a suggestion by the Petroleum High Council, which is supposed to be an advisory body to the Government. But the Government is not bound to take anything it recommends.

"Q. This High Council which was advisory, who did it consist of besides yourself? A. I said, the other four Ministers. You took it down.

"Q. I see. A. There are five Ministers and three other officials.

"Q. Who would be on the Council of Ministers? A. At that time there were about 19 people from all departments.

"Q. That would be the whole Cabinet? (1580) A. The whole Cabinet

"Q. I see. Now did the High Council make any recommendation as to what block Occidental should get? A. For Occidental, of course, they didn't give them what they

requested; they gave them only the block which was numbered 44 at that time.

"Q. Can you tell us approximately when the High Council made that recommendation? A. The final recommendation was about a fortnight before the 20th February, just at the beginning of February."

* * *

(1582) "Q. Now were these recommendations by the High Council of Petroleum made to you? A. No, they were taken by decisions in the Council itself.

* * *

(1583) Mr. Nizer: Your Honor, we objected to the entire deposition as a whole on the ground of hearsay, but when we get down to specific questions we think that 42 should be read.

* * *

Mr. VanVoorhis: We have no objection to reading 42, if your Honor please.

* * *

(1584) "Q. Did you advise Mr. Galic about the recommendation of the High Council? A. Immediately.

"Q. What did Mr. Galic say to you? A. He said 'I should get at least 42 or 42B, because we had another—the alternative, I don't know whether you know or you have read here, you know they asked for various blocks in various combinations, 44 with 43 or 42 with 43 or 44, something like this.

"Q. So when you told Mr. Galic that the recommendation was for only 44, he suggested that they should also get 42? A. He said that is the piece in which Occidental wasn't highly interested, you know.

"Q. What did you tell Mr. Galic when he suggested that Occidental should also get 42 or 42B? A. I said I should fight it and see whether we can get it, because it was quite a stern resistance.

"Q. Did you tell Mr. Galic that you would try to fight for 42 or 42B? A. Yes, that was a commitment.

"Q. That you made to Mr. Galic? A. Yes. I promised that I would do my best and fight it all along in fact, because we were also supported (1585) by Mr. Ogbi who was at that time Minister in the Cabinet, and he had also the opportunity to be present at one or two meetings acting for another Minister, and he knew that the Council was really very tough about not conceding any more.

"Mr. Greenspoon: But in any event you promised Galic you would try to get this 42B?

"A. That is what I said, because 42A and B, two blocks, was a very difficult task.

"Q. Now were these recommendations by the High Council of Petroleum made to you? A. No, they were taken by decisions in the Council itself.

"Q. And they were delivered to you as chairman, is that correct? A. And then I wrote the memorandum to the Council of Ministers.

"Q. And did you overrule— A. That is what I asked first, either overrule the decision because of their incompetence. In fact the members had only the chance to sit in the meeting and suggest, while I did the whole study for three months.

"Q. Did you recommend to the Council of Ministers what Occidental should get? (1586) A. Yes, in fact, and we had quite a long talk with the Prime Minister himself, because we reached a deadlock on the meeting.

"Q. What did you recommend to the Council of Ministers by bidding block numbers that Occidental should get? A. At least one part of 42 which they insisted was the best.

"Q. Was that 42B? A. Yes, which now is 102.

"Q. And in addition 44? A. 44, which is 103, and which is sure to be much better.

"Q. Now in the Council of Ministers, which you say comprised the entire 19 members of the Cabinet—is that correct? A. Yes.

"Q. Did they accept your recommendation as to Occidental? A. Well, at the end when I had the support of the Prime Minister, yes.

"Q. Did you shortly before the award of concessions discuss with Mr. Galic the financial necessity or support which Occidental had? A. This was my main concern, because the people (1587) thought that it wasn't backed up properly, and I had to be sure that this is a real thing, you know. I was very concerned about it.

"Q. What did Mr. Galic tell you in that conversation concerning Occidental's financial backing? A. He said just there is no question. He was always very adamant about it.

"Q. There was no question about who? A. No doubt about Allen's support.

"Q. Support of Occidental? A. Yes.

"Q. In the Council of Ministers were there any questions raised about who was Allen & Company? A. Not in the Council of Ministers, no, because in the Council of Ministers somebody was actually very doubtful about the whole thing of the new companies, and the Council was worried about majors and new companies.

"Q. Independents. A. Independents, or newcomers and so on. That was their main concern. They didn't actually go very deeply into everyone's detail.

"Q. In the Council of Ministers did you mention Allen & Company? A. Not in the Council of Ministers, no.

(1588) "Q. Did you in the Council of Ministers tell them about how Occidental was going to finance it? A. No. I didn't mention about any company in this letail because they consideerd what was submitted was really O. K. from the financial point of view, the Council. All the discussion was in the High Petroleum Council where many people had a lot of information, because being

members they knew they had to discuss these things. They have been gathering information, and so on.

"Q. In the High Council of Petroleum was there any discussion about Allen & Company? A. That is where we had it, because they wanted to know exactly how was the situation. The main talking was done in the Council of High Petroleum.

"Q. Did you say anything about Allen & Company in the High Council of Petroleum? A. I had to say, otherwise they wouldn't even have given 44, they wouldn't have been given that piece, you know. That was the trouble, the whole thing.

"Q. What did you say about Allen & Company in the High Council of Petroleum? A. I said this results to be a highly powerful—I didn't know it was a bank, but they said it was a financial organization, and I explained their activity (1588a) and how they raised money and so on, and this is a good combination even for the future of this combine owing to the name itself in business in general. Of course, I tried myself to sell ideas most I could, without being sure to be interested or a stockholder of Allen."

(1589) "The Witness: Mr. Consel, there is one thing. I was saying that the people in the Council, they did not find Mr. Allen as a bank."

Mr. Nizer: May I object to all of this?
The Court: Yes.

"It did not result to them"—

Mr. Nizer: I didn't hear the ruling. I made an objection.
The Court: The objection is overruled. Hearsay nature of the statement will be considered.

"It did not result to them that Mr. Allen was a bank. I had to explain what is his activity, because they knew the American banks—Chase Manhattan, First National, and so on. They said 'There is no Allen Bank'. That

is what I meant it is. It is not me who did know it was a bank. So I had to explain what is the financial position.

"Mr. Greenspoon: Did you explain to the High Council of Petroleum what you had been told about Allen & Company by Mr. Galic?"

Mr. Nizer: Same objection, if your Honor please.
The Court: Same ruling.

"That was my first source, of course, and gradually I had to know more.

(1590) "Q. Did you have any other sources about Allen & Company besides Mr. Galic? A. I had obtained some in Italy from various people who had business in the States.

"Q. When you explained to the High Council about Allen & Company's capacity, did any of them object to Allen & Company? A. No.

"Q. Did there come a time around November of 1965 when the High Council of Petroleum suspended its activities because of some of new legislation? A. Yes, amendment to the existing law.

"Q. During that period of time, let us say November/December 1965, were the oil companies asked if they would comply with the new law? A. Yes, they were asked to comply with the new law; otherwise, they would not be considered in the concession.

Mr. VanVoorhis: Now, passing to line 18 on that page, which is page 48.

"Mr. Greenspoon: I show you what purports to be, in Plaintiff's Exhibit 74, a copy of a letter from—

Mr. Nizer: Pardon me. If you are going to read this hearsay material, I don't think you should leave out the next matter, in between, before line

18, please, (1591) where he says that 50,000 Libyan pounds are required for financial responsibility.

Mr. VanVoorhis: We have covered it several times and we left it out because we thought it was repetitious.

Mr. Nizer: I don't think it has been covered yet. This is the first time.

The Court: The first time by him but there is testimony by Vaughan of the deposit of 50,000 Libyan pounds with respect to each grant that had been made.

Mr. Nizer: That's right.

The Court: You want it with reference to this witness' testimony?

Mr. Nizer: That's right, sir.

The Court: All right.

Mr. VanVoorhis: The witness later does testify to it in conjunction with some other material.

The Court: Well, I think it may as well be read in.

"Q. With respect to new companies like Occidental, if they were not considered financially capable, did you go further to examine and analyze their applications for concessions? A. Actually, we had the idea of going into the (1592) research about the reality of these statements, but there were two lines of thought. One was saying that any company, before taking any concession, they were supposed to sign or to submit money guarantee, which is about 50,000 Libyan pounds, which is quite a considerable amount of money. So those who could give this guarantee will show that they are actually viable. The second one is if we start going through this work, we will never end, the granting of concessions, and it would take maybe a year to get the replies from all the financial bodies who actually are mentioned in the various offers."

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Faud Kabazi, E.B.T.

Mr. Greenspoon:

"Q. I show you what purports to be, in Plaintiff's Exhibit 74, a copy of a letter from Signal Oil & Gas Company to Occidental, dated July 16, 1965, and I ask you if the High Council of Petróleum considered that letter in its deliberations? A. I considered it. I see here you struck 'would be', which was quite a vague thing, but we knew that Signal is quite a good company, and in spite of the fact that many other people stated, either verbally or wrote it, that Signal would be one of their clients, we said we cannot say that Signal would not be able to do, because we did not know how (1593) much oil was going to be found. So we said we just leave it as it is. In fact, we did not ask for any further documentation.

"Q. Did any other oil companies file similar letters from Signal with the Oil Ministry? A. Not at that stage, but later we found everybody saying that he had agreements with Signal to sell oil.

"Q. Did you discuss, prior to making your recommendation to the Council of Ministers, the question of Kufra with the Agriculture Minister? A. We did not mention it. We only mentioned this in the Council Ministers meeting, and at that time the Minister of Agriculture was not much interested in the whole affair."

* * *

"Q. Is that what he said? A. No; that was my interpretation. He did not show (1594) much interest; and the Minister of Agriculture only saw the papers very late after the concession was granted and signed when we passed them; and even Occidental people got around and supplied them with the full project, and so on.

"Q. In making your recommendations to the Council of Ministers, did you give any consideration to the fact that Occidental wrapped its bid in the Libyan national colours? A. We as the Libyans?

"Mr. Greenspoon: Yes.

"A. We could not. That is something external. Everybody is free to present it in a very hippie way, but it does not affect the matter; I mean the context of the offer itself. We are not giving concession for the face, neither for the president or the people who bring the bid. Presentation of a good bid gives pleasure and helps the people who evaluate. We know about a bid which was laughted at; he did not even use our own paper.

"Q. In making your recommendation to the Council of Ministers, did you give any consideration to Kufra? A. No. It was not a specific topic, because we knew that all agricultural projects in Libya are not definitely to be successful. So we consider it is a fine thing if it (1595) took place, but it was just something, a plus which we are offering to the Government, and from the public relation part of the job it is very good, to show that somebody is interested in Libyan agriculture.

"Q. Are the main population centers of Libya located on the coast? A. Mainly on the coast, yes, the populated ones.

"Q. That would be Tripoli and Benghazi? A. Tripoli and Benghazi and a few other minor cities which are all on the coast.

"Q. How far is Kufra from the coast? A. It is more than 600 kilometers, I think. It depends where from. Directly from the coast would be over 1,000, 1,500 I think.

"Q. Kilometers? A. Yes, because the coast in the north, in front of Kufra, goes up. If you take the shortest, maybe about 800 kilometers.

"Q. How far would you say Kufra is from Tripoli? A. 2,000 kilometers. It is just according to a diagonal.

"Q. Is Tripoli the largest city in Libya? A. Up to now, yes.

"Q. And it was in 1965? (1596) A. It has been always the largest, since Turkish times.

"Q. In making your recommendation to the Council of Ministers, did you give any consideration to Occidental's proposal concerning an ammonia plant? A. It was mentioned as something which is above the normal conditions and something good to consider because of the implication which would follow to the Libyan industry. You cannot deny it is a good thing, provided it is done.

"Q. Has it been done? A. I think it is being studied. I did not hear about at least being put to tender, but I knew long discussion been going on for last two years.

"Q. Do you remember something about an Occitrol process for preserving vegetables? A. Very well indeed.

"Q. Was that part of Occidental's preferentials? A. I do not know whether it was mentioned in the scheme, because I did not read the agricultural part of it, but in discussions we talked about it, because it was very interesting to me to solve the question of distance.

"Q. With whom did you speak about this? A. Mr. Vaughan is one of the people. Many other senior (1597) people who knew about Occidental's products. Even still later, in the last recent times, I met people who worked with Occidental, because I was very concerned about how to transport vegetables and fruits up to the coast.

"Q. Shortly prior to the time that the concessions were actually granted, did you advise Mr. Galic of what was going on in that respect? A. Yes, of course.

"Q. What did you tell Mr. Galic? A. I told him that we soon will have the final meeting, and I was very worried about the questions that people would put to me."

Mr. Nizer: I have an objection to all of this, please, your Honor. It is subsequent to his discharge and not binding on the defendant.

Mr. VanVoorhis: I assume this is the same objection. Is it the same ruling, your Honor?

The Court: Yes.

"Q. What questions did people put to you? A. 'What is the past experience?', 'Who is financing it?' And so on. I did not have a real paper to show it if I was questioned.

"Q. What did Mr. Galic say to you on that occasion? A. He said 'I will eventually supply you,' but the (1598) time became very short.

"Q. What did he say he would supply you with? A. Possibly with a certificate which confirms what we had been talking about all the time.

"Q. Concerning Allen & Company? A. Yes.

"Q. Did you accept what Mr. Galic said to you? A. I accepted it. In fact, when I saw that the meeting was being fixed in four days time, I was very worried, so I wrote him a letter.

"Q. To Mr. Galic? A. To Mr. Galic, saying 'I assume that this, and this, and this', just to be sure to have something on paper.

"Q. I show you this document, which is dated February 16, 1966, and I ask you if that is a copy of the letter which you just referred to. A. Yes. This is a photostat."

Mr. VanVoorhis: By Mr. Greenspoon, "Would you please mark this document," which was marked Exhibit K2 for identification.

Mr. Nizer: I object to it, your Honor. If your Honor does accept it subject to the *voir dire*—

The Court: Well, there is the other problem, of course, too, but that is a factual matter, again, as (1599) to whether or not the date set forth on the exhibit is the date that it was actually typed and sent. I am aware of that.

Mr. Nizer: I also object to it on the ground that it is hearsay.

Mr. VanVoorhis: We submit, your Honor, that it is much more than hearsay. It is a verbal act which is an integral part of the transaction. If the testimony of Mr. Kabazi, which is being read, is accepted, this was done by him to make a record of the fact that Allen & Company was beind the venture and that the grant of the concession was being made on that assumption.

The Libyan statute provides expressly that among the matters to be considered in the awarding of concessions is the financial and technical ability of the grantee to perform the work and whether it is in the public interest, and this certainly related to those aspects of the matter.

We are prepared to argue the matter at further length, if your Honor wishes to hear us at this time but, as I understood your Honor's previous rulings, this was a matter which you intended to pass on at some time later on.

Mr. Nizer: May I make a very brief reply? (1600) I still think your Honor wishes extensive argument on this at this time but it is conceded here that this was written on personal stationery. He used the government but he did it, he said, after he was through being minister, it was not an official act and, therefore, that doesn't escape the hearsay rule.

He says he typed it personally, at night, wouldn't even permit a copy to be made. He destroyed the carbon, he was so cautious and, therefore, this is not a government act or a verbal act in a transaction.

When you said it was a transaction, Judge Van Voorhis, I respectfully would like to ask you, a transaction between whom?

Mr. VanVoorhis: Why, of course, between the Libyan Government and the joint venture. The

statement of Mr. Nizer that this was written in 1967, that it was not an official act on the part of Mr. Kabazi as Minister of Petroleum and completely unsupported.

Mr. Nizer: May I interrupt at this point?

Mr. VanVoorhis: I would rather you didn't, if you don't mind.

Mr. Nizer: I was going to give you the citation to the opposite effect, but go ahead.

Mr. VanVoorhis: This contention that the letter (1601) was predated is not as yet even a questioned fact in the case but, if the defendant is going to contend that and presents evidence to sustain that contention, however feebly, I suppose that that would become a question of fact for your Honor to pass upon in conjunction with the rest of the evidence in the case. But I do not see how that can be treated as an objection to the admissibility of this document at this time.

Mr. Nizer: Your Honor, the testimony of Mr. Kabazi, his complete answer—I'll make no further comment—Mr. Kabazi at page 218, "I consider the talk about Occidental between me and Galic from the day he met me is something which is very confidential. It relates to him and I cannot tell even Ogbi that I wrote to him. I did not tell even Vaughan what I wrote to him.

"Q. But so far as the government of Libya is concerned, any correspondence you had concerning the application of Occidental for a concession— A. It is not official correspondence. It is, as I said, private correspondence, for his indoctrination and information.

"Mr. Nizer: Did you consider this government affairs?"

Mr. VanVoorhis: What page is this?

(1602) Mr. Nizer: 218, 246 and 247.

"Q. Did you consider this government affairs? A. No. Private affairs of Mr. Galic, because he was supposed to be the representative of Occidental on unoffcial business. "Q. On what basis? A. Unofficial basis, an envoy."

Mr. Nizer: Now, that goes on.

The Court: Aren't we going a little ahead of the immediate problem?

Mr. Nizer: I am.

The Court: I think we discussed this previously and I think the record is clear on it and why don't we proceed?

You made a statement, Mr. Nizer, that this letter was written when Kabazi was no longer Minister of Petroleum Affairs. I think that statement was based upon your contention that this letter was predated and written long after he was no longer the minister.

Mr. Nizer: Quite right.

Mr. VanVoorhis: Is the letter received?

The Court: It is received, subject to a motion to strike.

(P159 received in evidence.)

(1603) Mr. VanVoorhis: Passing to Page 57, eight lines from the bottom:

"Mr. Greenspoon: Mr. Kabazi, after the concessions, or the announcement that the concessions were granted"—

Mr. Nizer: Excuse me, there is some reference to the original not being available and on Page 54, there is a statement by counsel which I think may be in the nature of some information. He says if I had the original. The original is not—I think that colloquy in the light as of the date of April 29, 1969, counsel says—

Mr. VanVoorhis: What page?

Mr. Nizer: If you would be good enough to read the colloquy, it may go to the *voir dire.*

Mr. Greenspoon: Your Honor, I think we should object to all this. What Mr. Nizer was talking about was the question of whether I had the thing personally in London and I did not have it in London.

Mr. Nizer: No, I didn't.

Mr. Greenspoon: That is exactly what it was all about. He was trying to get the counsel to force me to produce the document which I didn't have in London with me. Naturally I wouldn't carry an original around (1604) like that.

Mr. Nizer: Later on he said "If he had it." That wasn't limited to London. I think that colloquy may be of some value. I didn't ask for colloquy otherwise.

Would you be good enough to read it.

Mr. Greenspoon: We object to the reading of colloquy.

The Court: Well, there is so much in this record already, a little more isn't going to hurt one way or the other.

Mr. VanVoorhis: Perhaps you would read the part of the colloquy that you think is relevant, Mr. Nizer.

Mr. Greenspoon: Then I think we should read it all.

Mr. VanVoorhis: Then we have to read the whole colloquy which is about five pages, four pages.

Mr. Nizer: No, a page and a half.

Mr. VanVoorhis: All right, I think we should read the whole colloquy.

Mr. Nizer: All right, I don't care.

"Mr. Nizer, I am not objecting to the document being marked"—

Mr. Nizer: No, this is Page 53 at the top.

Mr. VanVoorhis: This is Page 54.

(1605) Mr. Nizer: The colloquy begins at 53.

Mr. VanVoorhis: Where is what you want, Mr. Nizer?

Mr. Nizer: At the top of 53, Line 4.

"Mr. Greenspoon: Would you please mark this document."

From there on.

Mr. VanVoorhis (reading)

"Mr. Nizer: Just a moment, Mr. Gadeaux. This document was presented on an examination before trial of Mr. Charles Allen, and it was marked as D9. At that time a copy was given to us, just as here. I asked for the original. It was not produced. I think now, when it is offered with the witness who is supposed to have signed and sent it, I want the original document. I have special reason to want it, sir; it is not a frivolous request, and ask that counsel be directed to produce the original of th document. It was sent to Galic. Galic was here. The file has been turned over quite obviously, and I not want a photostatic copy of it, I want the original document."

Mr. VanVoorhis: I don't really see the necessity for reading all of this. I will read the part that you wish me to in the middle of Page 54, which you first mentioned.

(1606) Mr. Nizer: May I read it then.

Mr. VanVoorhis: You mean the whole thing?

Mr. Nizer: Yes.

Mr. VanVoorhis: All right.

"The Commissioner: Mr. Greenspoon, do you have a reply to Mr. Nizer's remarks?

"Mr. Greenspoon: I certainly do. There is no court order directing us to produce the original, and I do not have the original with me.

"The Commissioner: You do not have the original with you?

"Mr. Greenspoon: I do not. If I had it, I would produce it.

"The Commissioner: Gentlemen, I suggest that you leave this for the trial Judge—

"Mr. Greenspoon: That is exactly what it provides.

"The Commisioner: —to discuss the inadmissibility or the admissibility of a photostat copy in this way.

"Mr. Nizer: I am not objecting to the document being marked, because this is not even in evidence. It is marked for identification under all procedures. I do not know what Mr. Greenspoon means when he says he has not (1607) got it. It is obvious that this letter, which has been relied on, is an original which he has. If he will say he will send me the original, and I will return it, when we return to New York—I am not trying to obstruct this procedure—I will be content with that, but I do not want to be put off any more about not having it. When he was in New York, he did not have it; when he is here, he has not got it. I want to know when he will have it.

"The Commissioner: Would it be possible to send Mr. Nizer the original?

"Mr. Greenspoon: No, only under a court order, if I have it. If the Court orders me to supply the original and if I happen to have it, which I don't even know, I will supply it.

"The Commissioner: I do not think we are going to get anywhere arguing this point any further. I suggest we leave this to the trial judge. The Court Reporter has made notes concerning both your comments, and I suggest that we leave it to the trial Judge to make an adjudication on this point.

"Mr. Nizer: It will go before we get to a trial Judge, but in view of the fact that I will not have an opportunity, presumably, to cross-examine Mr. (1608) Kabazi again, it is extremely important that I have the original. I think we ought to have complete candor in a matter of this kind. Mr. Greenspoon says 'If I had it—I do not know whether I have—I will produce it.'

"Mr. Greenspoon: I did not say that. I said if the Court orders me to produce it and if I have it, I will produce it.

"Mr. Nizer: If you have it. Who made the photostat of this? May I ask that through you, Mr. Gadeaux?

"The Commissioner: Certainly.

"Mr. Greenspoon: I have not the faintest notion.

"Mr. Nizer: Where did counsel for the plaintiff—

"Mr. Greenspoon: No, this is out of order.

"The Commissioner: Gentlemen, please. As I understand it, Mr. Nizer, you feel that it is terribly important that you see the original of this document.

"Mr. Nizer: Yes.

"The Commissioner: Is it because you feel this photostat of the original document may be different in some way or other? What I am trying to understand is, what is the difference between a photostat and the original document?

"Mr. Nizer: There is good reason. I do not think that it would be proper at this time for me to state the kind of evidence that we have with respect to this matter, but (1609) there is good reason for us to challenge the authenticity of this document, despite the date it bears, and I want the original for that purpose. I do not want to go

further, because I am not making a fractious request.

"The Commissioner: I appreciate your position, Mr. Nizer. If I understand Mr. Greenspoon correctly, he does not physically have the document in his possession at this moment. If he does not have it physically in his possession, I cannot force him to produce it. I suggest that for the record you have registered your complaint or objection in the strongest possible terms and given your reasons for this objection, and I assume that the trial Judge will take due note of what you have said with regard to the production of the original.

"Mr. Nizer: I must have it before we get to any trial Judge, but there are remedies for that, Mr. Gadeaux. I am not asking you to provide them. May I make one further request, and then I will subside.

"The Commissioner: Surely.

"Mr. Nizer: Since Mr. Galic is obviously in the city, since he was excluded from this hearing, may I ask that counsel during the recess ask Mr. Galic whether he has the original, and if he has not, who has it. All I ask you is to ask, respectfully, that counsel put on the (1610) record where the original is.

"The Commissioner: If he can.

"Mr. Nizer: If he finds out from Mr. Galic, he will certainly know.

"The Commissioner: Will you accede to this request?

"Mr. Greenspoon: No. This is an improper request. I will not ask Mr. Galic.

"Mr. Nizer: I want to note on the record the kind of refusal to submit even information with respect to the original of this document, and I shall leave it there for the present."

* * *

"Mr. Greenspoon:

"Q. Mr. Kabazi, after the concessions, or the announcement that the concessions were granted, which I believe was in February 1966, was there then a period of time in which actual contracts were negotiated between the Kingdom of Libya and the concessionnaire? (1611) A. Yes.

"Q. Were you involved personally in the negotiation of those contracts? A. There was no other negotiation, except the definition of the wording of every contract according to what has been offered. So every company was offered the draft or at least the official paper to be signed and see whether it is conforming their own understanding. We put in the contract exactly what they offer in their own bids; the transposition of the thing into contract form.

"Q. During that period of time which elapsed between the announcement of the award of the concessions and the signing of the contracts, did you tell Mr. Vaughan that Occidental had been granted the concessions solely because of their preferentials? A. No. If I am allowed to say something to explain why 'No' and definitely I am convinced 'No.' It is off the record, if possible. I want to say something about the preferentials.

"Q. I have to put a question to you. Would you please explain why the preferentials were not the sole basis for awarding concessions? A. Thank you very much, that is very interesting. Actually, you know, the preferentials are either on the (1612) list of the 17 points we put out specifically to the company to deal with or mention. If they are outside these, they might be sometimes very vague. In fact, the specific offer by Occidental was based on an ammonia plant and the Kufra development project. They are things which you cannot value in cash. You cannot say how much they are worth, because the ammonia plant was depending on the feasibility study and see

whether ammonia is feasible to be produced in Libya and sold. Secondly, the agricultural project was also based on the feasibility, which concerned the soil, the water possibility, and all other economics. So they are what you call tentative offers, which cannot be taken, weighed and compared to others in terms of cash or real benefits which are stated in a list. Is that clear?"

Passing to Page 60, Line 9:

"Q. Mr. Kabazi, this morning you mentioned talking to Mr. Vaughan about some rumors. Do you recall that? A. Yes.

"Q. Can you tell us what you said to Mr. Vaughan and what Mr. Vaughan said to you about these rumors? A. There were various rumors about the new companies, and they took as a target most of the, say, major oil companies specially, the Occidental competition in the (1613) field. Of course, I was very worried about whether there was any truth in what these rumors implied vis-a-vis my own efforts to get this thing through. It seems that even Mr. Vaughan has heard some of these rumors, and he wanted to feel me and see what was my reaction, whether I was biased by these rumors, and I told him I was not.

"Q. Did Mr. Vaughan mention what the rumors were to you? A. He mentioned the fact, for instance, about racial discrimination in Libya, if any person who is applying for a concession is known to be of an undesired race or derivation, it would be a handicap for him. I said 'In Libya we are democratic country. We have no discrimination, and myself I am not biased about any type of race, provided nobody is discovered afterwards to be connected with any organization or political party which is contrary to our national cause.'

"Q. Did you report this conversation to Mr. Galic? A. I did, actually, and I asked him whether he has the same thing heard outside Libya. He said there is a lot.

"Q. What did Mr. Galic say? A. He said there is quite a lot of rumor going around about this.

"Q. This morning we were talking about a meeting (1614) that you had with Mr. Hammer some time, I believe, in April 1967, after you left the Ministry. Do you recall that? A. Yes.

"Q. In that conversation was there any mention made of this letter, Plaintiff's Exhibit K. 2 for identification? A. Yes, of course. It was one of the main topics.

"Q. What did you tell Mr. Hammer on that occasion about that letter? A. I told him that I wrote this, completely convinced that I was doing it to a man who represented their interests and who answer me and know that I want this.

"Q. When you say 'their interest,' do you mean Occidental's? A. Occidental, of course. I always take the interest of Occidental and, as you said this morning, the Allen Company as one because of this action. I been already talking to Mr. Galic about this thing."

* * *

(1615) "Q. After you had this meeting with Dr. Hammer in or about April 1967, did you have any other meeting with any representative of Occidental? A. You mean encounters?

"Q. Talk face to face. A. Not many, but real meeting about the case, you mean?

"Q. Yes. A. Only one. I saw Mr. Mike Arra. He called on me once on a friendly basis to ask me a few questions about the case and what I knew about it.

"Q. Can you fix a date approximately when you had the meeting with Mr. Arra? A. If it is not at the beginning of 1969, before Christmas or after Christmas. I do not remember.

(1616) "Q. But it was around Christmas of 1968, is that correct? A. Yes. It is not many months ago, but we knew each other before, so I took it as a friendly intervention.

"Q. What did Mr. Arra say to you on that occasion? A. He told me about the case, that it has been discussed, and I go to Court, and so on; I might eventually have to be a witness. He showed me the photostat of my letter. Of course, I did not tell him my reasons, but I confirmed that I did this letter. It is mine and I am not hiding it. I could even be published, though when it was done, it was supposed to be confidential, anyhow."

* * *

(1618) "Q. You told us, Mr. Kabazi, that the Libyan Government set a deadline for the filing of bids, is that right? A. Yes.

"Q. What was the deadline date? A. It was the end of July. I mean July, 1965, of course. Three months from the publication of the bill.

"Q. Would it refresh your recollection if I told you that the record seemed to indicate July 29, 1965? A. It is close to it.

"Q. Do you recall the date that Occidental filed its application for concessions? A. I don't recollect, because it was filed in Tripoli and it was brought the night before the opening to Beida.

"Q. Was that application brought to Beida by hand? A. In a brief case. It was brought by plane, accompanied by an official.

"Q. I mean it was not mailed by hand; I mean it was (1619) delivered in person, rather than by mail? A. Excuse me. Can I make a distinction?

"The Commissioner: Yes, of course.

"A. There was a man receiving the application. I wasn't the man receiving the applications. They were deposited in my office in Tripoli where there was an official who taking them either by hand or through the mail. It doesn't matter, but I was in Beida, away from my office in Tripoli, and they were brought to me the night before the opening by special cargo."

Mr. Nizer: Continuing on page 65.

"Q. Did you know that it was Mr. Vaughan who delivered the application of Occidental? A. I saw him in Beida present at the meeting, so I suppose he was the man who delivered it.

"Q. You know that it was not Mr. Galic? A. No. I didn't say that.

"Q. Your answer to my question is it was not Mr. Galic? A. No, not Galic.

"Q. Do you know what date the sealed bids, the application for concessions, were opened, when they were opened? A. A few days after. Maybe the 31st or the 30th. I (1620) think it was a Saturday, definitely. If it was the 29th, definitely the following Saturday, they were opened.

"Q. Do you know the place where they were opened? A. The Council of Ministers room in Beida.

"Q. And Beida was the temporary capital of Libya, wasn't it? A. Well, we called it the administrative capital.

"Q. Now, you presided at the opening of these bids, did you not? A. Yes.

"Q. It was in a large room, you said. About how many were present? A. 60, 50 people.

"Q. Who were those people who were present? A. Normally, there are a few presidents of the local oil companies, some of them from abroad. Some of them were accompanied by either a manager or a young Libyan liaison. It varied. Some people came along."

Mr. Nizer: Continuing on page 66.

"Q. So that they were all representatives of the various applicants for bids? A. Yes.

"Q. And whether the representative was the official officer of the company or his liaison, as you called it, (1621) the local representative, those were the people who attended? A. Yes.

"Q. Mr. Galic was not there, was he? A. No, he was not.

"Q. Who represented Occidental? A. Well, on the paper, there was Mr. Ogbi.

"Q. When you say on the paper, what paper are you referring to? A. Here.

"Q. You mean the application which has been marked now P74"—that's 130 in this trial—"shown to you previously? A. Yes.

"Q. Was there a requirement of Libyan law that the authorized representative of each applicant should be stated in the application? A. Yes. For the local purposes.

"Q. And that requirement of law was for the purpose of telling you, as minister, and all the others of the government who were involved, as to who was officially designated to be the spokesman or to communicate with for each applicant, is that right? A. Yes.

(1622) "Q. Who was officially designated in the application of Occidental to be the authorized representative?"

Mr. Nizer: Continuing on page 67.

"A. I should say it was Mr. Ogbi.

"Q. Was there anybody else? A. I didn't credit anybody else but I knew Mr. Ogbi even before being officially as a representative.

"Q. Did Mr. C. James Blom appear in the application as the Manager, a Libyan branch Manager, Tripoli, Libya? A. Excuse me? This is a different question. It is not about the local representative. The local representative should be a Libyan.

"Q. Yes. That was Ogbi. A. Yes. Whoever Ogbi introduced to me, I took to be the person who came from Occidental.

"Q. Ogbi introduced Blom as the Libyan branch manager? A. Yes.

"Q. The name of Mr. Galic did not appear as an authorized representative or as a local manager of any kind, did it? A. In none of the official papers at all.

"Q. You say that Mr. Vaughan was present at the opening of the bids. You knew, did you not, what his position was with Occidental? (1623) A. One of the responsible people, I imagine. I am only speaking of that time. I didn't have a complete acquaintance of the people.

"Q. I mean at that time. Did you know that he was vice president of Occidental Petroleum Corporation? A. Yes.

"Q. At all times during the opening of the bid procedure, he was present, was he not, Mr. Vaughan? A. He was present, yes."

Mr. Nizer: Continuing on page 68.

Mr. Greenspoon: We object to this entire page and we think that the same procedure adopted previously, questions of law, relevancies and bid as to form—

Mr. VanVoorhis: It is one of a number of other passages to which the same objection may be addressed.

During the course of his examination of Mr. Kabazi, who was not a lawyer, Mr. Nizer asked him a good many questions more or less as though he were being admitted to the Bar and we maintained that this is not proper. We have no objection to the admission of the statutes. We have no objection to the testimony by an attorney but, in the endeavor to cross-examine this man and to confuse him at times, with respect to the provisions and effect of foreign law, we think this is not proper.

(1624) The Court: Didn't you question the witness yourself, this very witness, yourself, with respect to the procedure to receive bids and the processing of bids?

Mr. VanVoorhis: That's right. That is what was done. We questioned him as to that.

The point is simply that as an expert on foreign laws, he, himself, said in his own testimony he is an engineer, not a lawyer.

Mr. Nizer: Your Honor, he was the minister and I asked him whether he was familiar with the laws of Libya which later, as your Honor will see, developing that, he was surreptitiously violating the laws, but in order to lay a foundation I have got to ask him what he knew about the laws.

The Court: We will receive it.

* * *

"Q. It is a matter of law, is it not, in Libya, that when the sealed bids are opened, they must be opened in the presence of the representatives of the various applicants? A. Not must. If they wish, they can attend.

"Q. If a representative did not attend for an applicant when his bid was opened, would that bid (1625) automatically be rejected? A. No.

"Q. As a Minister of Petroleum, are you familiar with the various provisions of the law, the Libyan Petroleum Law? A. Well, I should be."

Mr. VanVoorhis: Your Honor, I don't want to be repetitious. I think that my previous objection with respect to the testimony proving or not proving the foreign law is specifically clear enough so that I just want to have it on the record that we do object as to that phase of it.

I don't want to have to repeat my objection. I assume that it will be regarded as applying to anything of that nature that we come to.

"Q. The question is, are you. A. I am and I was and I should. It is a duty. Otherwise, I wouldn't be a minister.

"Q. Let me read to you from article 7, subdivision 3 of the Libyan Petroleum Law, number 25 of 1955, as amended by the various decrees listed:

"'The Ministry will invite registered mail applicants for concessions to send a representative to the Ministry's office on a fixed day and hour to attend (1626) the opening of the applications for concessions. If the representative of the applicant fails to attend at the fixed hour and date, this shall be considered as a refusal of invitation.'

"How did you understand that? A. Mr. President, these are actually not questions. These are examination, a school examination. Can I ask a question myself?

"The Commissioner: Mr. Kabazi, Mr. Nizer is—

"A. He is reading from a text which I don't know how old and which is which.

"Q. I thought I had identified it and I will show it to you. It is the Libyan Petroleum Law. A. Yes. Please. Which year?

"Q. I read it. Number 25 of 1955 as amended by the Royal Decrees through 1965. A. It is November 20, 1965.

"The Commissioner: Perhaps, Mr. Nizer, the witness could read it.

"Mr. Nizer: Yes. I will be glad to show it to him but I don't understand his comment that this is an examination.

"A. We didn't stress this one on the refusal but the article—we can implement this if we want to.

(1627) "Q. You can answer it in any way you wish. A. We didn't assume that anybody missing from the meeting provided the local representative was there and that is why we issued our publication. We put as a condition that they should have a local representative, because they always say 'We didn't find the plane', 'We didn't find accommodations in Libya'.

"It happened before, so the local could be always present and Mr. Ogbi was present."

* * *

"Q. Thank you, sir. Now, as I understand your testimony there had to be a local representative of the (1628) applicant in Libya, whether he was present at the bids or not. A. Yes.

"Q. And that local representative certainly was not Mr. Galic, right? A. No, he wasn't.

"Q. Now, after each bid was opened, were you required, under Libyan law, to sign the first copy? A. Well, we sign initials. We initialed.

"Q. Yes. I mean by sign— A. By three people.

"Q. Was the representative of the applicant also required to sign it then and there? A. No, because he has already his application or his boss' signature."

Mr. Nizer: Continuing at the top of page 72.

"Q. Let me read again to you— A. It is useless to read me the law because we apply this procedure and that's all."

Mr. VanVoorhis: This points up our objection, your Honor. Some of what is called apparently Libyan law in the testimony relates to rules of procedure more or less like court rules, some of them promulgated by Kabazi himself and then they may be subject to some (1629) variation in the interest of Libya's court rules.

I don't want to take any more time on it but I think it ought to appear which are regulations and which are statutes and so forth.

I don't particularly mind—I am not very insistent, so long as the distinctions are recognized, and so long as the fact is noted that this man is not a lawyer.

The Court: Well, you have already made it clear he is not a lawyer.

* * *

"Q. Suppose you leave to me what is useless and you can answer whatever way you wish. I am not stopping you from answering. A. Even in open concessions, if you go by the law, we find all the articles which are against anything to do but once we set the procedure, you can ask me a question about the procedure I set for these particular concessions and what the government has put on paper. That is the rule for the applicant. He accepted our paper. In fact, he submits that paper signed and that's all. That is his rule.

"Q. That is very interesting. My question was, is it required by Libyan law with which you say you are familiar that the applicant, in addition to having signed any (1630) application, is also required to sign the first copy when the bid is opened, the representative of the applicant is required to sign the first copy together with you signing the first copy so that it is said that this is the document that has been submitted and agreed to by both? Is that true? A. No. We didn't ask anybody to sign. That is my answer.

"Q. My question was not whether you required anyone to sign but that is required by law as you understand it? A. I will have to read the law after four years."

* * *

"Q. Then may I read it to you and show it to you, if you wish.

I am reading from article 7, subdivision 3 of the same statute which I read to you before:

'Applications will be opened by those entrusted by the Ministry to do so in the presence of the applicants who accepted the invitation. The first copy of each application will be signed by those entrusted to open them and by

the representatives of the applicants who accepted the invitation.'

"Do we agree not as to what was done but do we agree that the law requires that both the representatives (1631) of the applicants as well as the government official sign the first copy? A. We circulated the copies. Now I remember. We circulated the copies after I signed them.

"Q. The first question I come to is, do we agree that what I read to you was the law at the time? A. Well, it was the law signed. Okay."

* * *

(1633) "Mr. Nizer: So I say that your prior recollection—

"A. But myself, I didn't insist on this.

"Q. No, I didn't say that you insisted. A. I was subjectively answering.

"Q. You understand now, and you are telling us that in accordance with law each application was signed, initialed first by yourself and then by the representatives of the applicant, right? A. If it is on the law, which I don't recollect.

"Q. I will show you. A. Okay. It doesn't matter. I didn't come here to talk about the law because as I said, it is a witness and not an examination. If I wanted to do something, I would have read the law last night. I didn't read it. So I am answering only about the procedure and what I did, what was my action. Having yourself insisted on this—this is the normal questions which lawyers put, the trap questions—now I immediately recall the scene and I remember a few of the representatives doing something on these papers circulating. So, the Secretariat must have been aware of this item and did it."

* * *

(1634) "Q. Wasn't your first recollection that there was no signing by the applicants of the bids when they were opened because they had already been signed? Isn't that what you told us?"

Reading at the top of page 76:

"A. Yes."

* * *

"Q. Now upon a little refreshment of memory which can happen, I [illegible]ot accusing you of anything, you now do recall th[illegible] were signed? You want to change that answe[illegible]u? A. I don't change it. I have the impression [illegible]ind the table they were being circulated because the secretary evidently knew about this detail. It wasn't a matter which (1635) had attracted my attention particularly because I wasn't concerned with routine. There were people assisting me on this.

"Q. Do you recall now that I bring your attention to it that Mr. Blom and Mr. Vaughan signed a slip that these bids were the bids which had been submitted before the seal was broken? A. Maybe. I don't want to answer without being sure.

"Q. After the first copy of the application had been signed by you—I will omit the applicant, since you are not sure, for the moment—was the applicant permitted to amend or vary the application orally or in writing from that moment on? A. We didn't allow anybody to do that. Nobody came out with an amendment.

"Q. And the reason that you didn't allow it is because— A. No. We didn't have anybody asking for this.

"Q. I didn't ask whether anybody asked for it. I am asking you whether it was permitted under your law. A. I am not sure about this.

"Q. May I try to refresh your recollection? A. Yes, though I didn't want to have anything to do with this for many years.

(1636) "Q. You have come here voluntarily to testify, haven't you? A. Of course. Voluntarily in what sense?

"Q. You didn't have to come here. You knew that. A. I said I would be at the disposal if it was round my own time here.

"Q. You volunteered to do that. There was no court order compelling you, was there? A. No.

"Q. So you have come here, when you keep protesting that you didn't expect to be asked these questions— A. Not to be examined on the law, Mr. Nizer. You are examining me on the law.

"Q. As the Minister of Petroleum, you were obligated, were you not, to act in accordance with the law of Libya? A. Yes.

"Q. And you have already stated, have you not, that you were familiar with the law of Libya, and you should have been? A. Yes.

"Q. Therefore, do you consider that questions which raise the propriety of anyone's conduct, including your own, with respect to the law of Libya, is something that is improper for me to ask? I just ask your frank opinion."

(1637) Mr. VanVoorhis: We object to that as not proper cross.

The Court: Overrul d.

"A. No, it is not my implication. It is not this."

* * *

"Q. My question is, not whether anybody asked to amend, but whether it was permitted under law for anybody to seek to amend or vary the application. A. If the question arose, I would have asked my lawyer who was on my left side. I don't have it here.

"Q. Then would you mind if I attempted to refresh your recollection by reading the sentence from the statute on this? A. It is no use to me, anyhow.

"Q. I will do it anyhow because you can't conduct (1638) this examination. You just answer when I ask the question."

Now I continue with where I was going to begin:

"Q. Article 7, subdivision 4(c), reads as follows:

"'4. It shall not be permissible to amend or vary an application after it has been opened and [illegible]ned as mentioned in paragraph 3 hereof'.

"A. Nobody asked for it.

"Q. My question is: Does it come back to you now that that was the law? A. Of course, after you read me the law, I can remember everything.

"Q. The answer then to my question is 'Yes'? A. Yes.

"Q. If anybody, in any circumstance, had sought to vary or amend the application which was filed and initialled by you and perhaps the applicants, that would have been contrary to law. You agree to that? A. As I said, I would have referred to it to my lawyer and, of course, he would have ruled according to the law.

"Q. And that means that it would not have been permitted? A. Of course.

"Q. 'Of course not', you mean? A. Of course not. (1639) "Q. You would agree, or would you not, then, that after a bid had been opened and thus initialled and signed, the Government and all of its officials under law were required to make its award on the basis of the express terms set forth in each filed application; is that correct?"

Mr. VanVoorhis: Your Honor, that is objected to as not proper cross. The question says "You would agree or would you not?" And then he is called on to answer it yes or no.

Mr. Nizer: He did answer "yes".

Mr. VanVoorhis: Objection to form was made at the time. That is not a question that can be answered yes and no.

The Court: Where is the answer?

Mr. Gorman: Second line from the bottom.

Mr. Nizer: There is some colloquy and then he answers.

The Court: I will allow the answer to stand.

"A. Yes.

"Q. Now, the bid of Occidental had a covering letter filed with it. Do you know what a 'covering letter' means? A. We call it a companion letter.

"Q. We call it 'covering'. You are right. It is a letter that introduces the subject, goes along with it. (1640) You were shown this document by Mr. Greenspoon. This is the first letter, this companion document in the file that was shown to you. The exhibit number is P74 (130 in this trial). You can keep that before you. It may help you. Before I read from it, I take it that you carefully read that letter as well as the other parts of this submission? A. At that time.

"Q. And in your later considerations of the matter, I suppose you studied that record? A. Yes, definitely.

"Q. It begins: 'Please accept our bid for petroleum concessions and our proposal for development of a chemical fertilizer industry and a modern agricultural project.' Do you see that sentence, the first sentence? A. Yes.

"Q. That document before you, which counsel showed you, P74 (P13) is composed of a large sheaf of paper. I suppose we could agree it is well over 100 pages, isn't it? A. Yes.

"Q. And in a separately bound book there was an additional folder presented to you, was there not? A. Yes, we mentioned this.

"Q. That other document was also a pretty thick (1641) book, well over 100 pages probably? A. Yes. It is normal.

* * *

"Q. This second volume which was submitted with the application, if you recall, what was the heading on it? A. I recall the photographs of the fat cows and calves which were there. I didn't give much importance to it, and I passed it to the Ministry.

"Q. Was there any title on the folder itself? A. It was a agricultural product called Kufra something.

"Q. You do recall that? A. Yes. It is too big not to be recalled.

"Q. And the exact words were 'Agricultural proposal for the United Kingdom of Libya (Fertilizer & Kufra Oasis Project); would that refresh your recollection? A. Yes. It is one of the things which could be. I didn't register these things in details.

"Q. And the application for concession of Occidental stated: 'Occidental is hereby willing to offer the (1642) Kingdom of Libya the farming, economic and financial benefits over and above anything which is provided for in the Petroleum Law No. 25 of 1955 and amendments made thereto through July 1955—" Shouldn't that be?

Mr. Greenspoon: '63.
Mr. Nizer: '63.

* * *

"Q. Is that correct, or do you want to have it reread? A. I don't want anything to be reread. I say this might be correct. We don't agree on the type of questions, Mr. President. It is more work for me. Okay.

* * *

(1643) "Q. All you have to say is that it is correct and we will go on with another question, if it is correct. Is

that correct? A. If this one is the same as the paper you submitted, it is correct.

"Q. Well, take a look and see if that is correct. A. There is not my signature on it.

"Q. The wording is 'Occidental is hereby willing to offer the Kingdom of Libya the—"

Mr. Nizer: That should be farming, isn't it? It should be 'following', not 'farming.'

"Q. —following economic and financial benefits over and above anything which is provided for in the Petroleum Law No. 25' and so on, right? A. Yes.

"Q. Then there is listed the preferential items from (a) to (1) following that. You have it before you. Will you please look? Is that correct so far? A. Yes.

(1644) "Q. And the preferential item (a) provided—I ask you if this is correct—that Occidental would erect an ammonia plant necessary to the production of fertilizer. Is that one of the proposals? A. At the cost of $30,000 United States and so on.

"Q. 30 million. A. 30 million.

"Q. Dollars, right? A. Yes.

"Q. Did you understand that ammonia is necessary to create fertilizer, or didn't you know that at the time, or did you? A. That ammonia does make part of the fertilizer?

"Q. Yes. A. That is not in the law. So I know it.

"Q. The answer to that is just 'yes,' or isn't it? A. Yes.

"Q. It was also provided, was it not, in that preferential item (b) that Occidental would use 5 per cent of its operating profits before taxes from the sale of oil, if any was produced, from any concession granted to it for the agricultural development of Kufra area or any other area agreed to between the Libyan Government and Occidental, (1645) is that correct? A. Yes.

"Q. That was part of the offer at the time? A. Yes. Why should you keep on asking me these questions?

"Q. That isn't for you to ask, sir. Just answer my questions. A. I lend my services, but I can't be rode like a donkey."

* * *

(1646) "Q. And you say that you referred all this, it was of little importance, you referred it to the Minister of Agriculture because you didn't pay any attention at the time. Isn't that an answer you made a moment ago? A. Yes.

"Q. Therefore, it is important for me to know whether you understood what you were referring and said was unimportant, if that is a fair statement. A. Did I say I considered it not important?

"Q. Yes. A. No. I said the Minister of Agriculture didn't lend any attention to it.

"Q. And you say that when you answered before you didn't say that you didn't give it much attention, you didn't make that answer previously? A. Yes. I said I thought it doesn't influence much, it has no importance for the decision, because, as I said, these projects, both the plant and the agricultural, are still something to come if, if, if, if. They are all tied up to feasibility.

"Q. Do you know that the feasibility, it has been announced publicly, has been concluded? A. After how many years?

(1647) "Q. Did you at the time object to any other item because you didn't know how long it would take to agree to a feasibility plant? A. No. I didn't want to object. It is all good things.

"Q. Now, these two matters which I just quoted, which you say you observed and knew about at the time, (a) and (b), that I have just read, dealt with that second volume, the title of which I have just given you about agri-

culture, and that volume dealt solely with ammonia plant and the fertilizer Kufra Oasis project, is that correct? A. Yes.

"Q. Did you understand at the time that if the concession for oil was granted and oil was found, a portion of the profits would go for the benefit of the Libyan Government and the people of Libya in developing an agricultural centre? Did you understand that at the time? A. Yes.

"Q. Did you also understand at the time that if an oil concession was granted to Occidental and even assuming that no oil was found, Occidental still bound itself to build an ammonia plant involving that $30 million? A. Yes.

(1648) "Q. That was a commitment? A. Yes.

"Q. At the time when these bids were opened, Kufra was a small village in the vast desert area, was it not? A. Yes, a small lake with a few houses surrounding it.

"Q. Would you know about what its population was at the time? A. A few thousand.

"Q. Did it have any agriculture at that time? A. You couldn't call it agriculture. It is what you call seasonal agriculture, not real.

"Q. In 1965 was there a single ammonia plant in the entire country of Libya? A. There was nothing. There wasn't even a refinery.

"Q. Now, none of the other competitors for oil concessions offered in their applications to build an ammonia plant to develop an agricultural project, did they? A. No."

* * *

(1649) "Q. Did you comment, issue any statements at any time, that you thought this proposal by Occidental to build an ammonia plant that could provide fertilizer and develop agriculture was an ingenious plant to confer benefits on the Government? A. Never.

"Q. You never made such a statement? A. No.

"Q. Do you know whether you were ever quoted as having made such a statement? A. Quoted in what sense? You mean somebody said?

"Q. In a publication. A. What sort of statement do you mean?

"Q. Well, let me show you. Are you familiar with the 'Petroleum Intelligence Weekly'? A. Yes.

"Q. Did you read that regularly? A. Not regularly, only when it talked something interesting about Libya or other countries which you are interested in."

* * *

(1650) "Q. Did any Government official have access to the sealed bids until they were broken and opened in public in front of the representatives? A. Nobody could have. They have been brought sealed in the meeting.

"Q. Was it, in your opinion as the former Petroleum Minister, improper and against the law for any private information to be given to any Government official who would participate in this decision beyond what was in the application? A. No. This is a question to be repeated, please.

"(The reporter read the question.)

"A. Would you make it clearer? You ask me about the time between the handing of the sealed bid and the opening?

"Q. Yes. A. And you ask me whether anybody knew or could open it, is this so?

"Q. I asked you that previously. A. Then put to me this question: What does it mean? Somebody telling an official of the Government about the contents?

"Q. Not only the contents, but adding any information which wasn't in the application itself, in the submission (1651) which would be considered, that was under seal. Would that be contrary to the law, for somebody to give

information to buttress what was in? Do you know what buttress means? A. If it is a Libyan official who had this in hand, if you gave it to me as a deposit, and I managed to know the information and give it, of course it is against the law.

"Q. Who was present when the sealed bids were opened besides yourself? Government officials, I mean. A. On Government side, besides myself, we had our lawyer—they call it the legal adviser—the Director of Petroleum, the Secretary to the High Petroleum Council.

"Q. What were their names, please? A. I said this morning one is Girushi and the other one is Hangari.

"Q. Now you told us this morning that originally when you opened the sealed bids, you gave more information originally than you did later on. You found that took too long. A. Too long, yes.

"Q. What was the information you gave originally before you changed the procedure? A. We started by reading the company's name, the (1652) numbers of blocks, then how many items out of the preferential points every company has accepted. Then I saw that it was to be too long, and at the same time I didn't put it in an easy form. So we said leave it, and also I have the impression that some of the oil companies being opened in advance, they want to discover immediately what were their conditions. This was my impression. So we gained time by saying company, numbers, and that's all."

* * *

"Q. Now you told us this morning also that this lasted quite a number of hours. How long was it, again? A. It was definitely from 10 o'clock, for me at least—because other people used to go out and in—till half-past 5.

"Q. The Occidental bid actually was next to last one opened, was it not? Does that refresh your recollection? A. No. I think it was in the morning session. (1653) I don't remember.

"Q. You opened them in the order in which they were filed, you told us. A. They already had numbers on their covers."

Mr. Nizer: Now continuing where I was about to read at the top of Page 90.

"Q. Would you remember, by chance, what number Occidental's application had? A. If I remembered, I would answer the first question. There were over 100 of these.

"Q. Suppose I told you that Occidental's number was over 100. That we know. A. It means it was near the end.

"Q. Now, when you opened the sealed bid of Occidental, did you observe from the cover of the book, as well as anything else that in addition to the usual provisions, there was this project for the ammonia, fertilizer and Kufra? A. Yes, exactly."

* * *

(1654) "Q. Did that impress you sufficiently to ask Mr. Vaughan, who was there, to address you and the other Governments to explain in greater detail this proposal? A. Not in great detail. We were not allowed in that meeting to have anybody to speak or describe anything except the answering about routine things. So I might have asked Mr. Vaughan about what they mean, 'Does this go with this?', or 'Which is one which contains the real paper?' and so on.

"Q. Did you ask him to give some brief statement of some kind, whether you call it routine or not, about the Kufra project, to explain what that was, what was this agricultural project? Do you recall asking him, or don't you recall it? A. No, I don't recall, because it would have been very funny, because I should have asked everybody to do the same.

Faud Kabazi, E.B.T.

"Q. That's my point, you didn't ask anybody else to do it, you did ask him. Do you recall that? A. No, not in this term, anyhow."

* * *

(1655) "Q. Well, leave out the words 'in detail.' Did you call upon Vaughan to say something about that application, anything at all? A. If I didn't see the photograph, I would say I never asked him, but the photograph means that he approached me and showed me where some papers were.

"Q. He approached you or you called on him? A. He might have come because I could not find something, I don't remember.

"Q. When did you see this photograph? A. Maybe Mr. Vaughan has shown it to me with other photographs."

Mr. Nizer: Now I would like to offer in evidence the photographs. Mr. Pollio. How many of these do we offer at this point?

I offer in evidence these photographs marked D21 and D22 for identification.

Mr. Greenspoon: We object to all these as unauthenticated, irrelevant and immaterial.

(1656) The Court: The witness identified it. I don't understand that.

Mr. Greenspoon: Not these pictures, your Honor.

Mr. Pollio: Yes, they were marked.

Mr. Greenspoon: He identified one picture as being shown to him after the fact.

Mr. Nizer: Those were all shown and he testified about them.

Mr. Greenspoon: This is the only one he identified.

The Court: Isn't that enough?

Mr. Greenspoon: I don't know if they are offering a flock of pictures.

The Court: Take the one that he identified. Let's not spend time on this.

Mr. Nizer: He identified both. They are marked Kabazi Deposition.

Mr. Greenspoon: He didn't identify them.

Mr. Nizer: He did.

The Court: Can you agree on the one that he did identify? Gentlemen, we are really spending time on an item of minor consequence.

Mr. Greenspoon: K-1 was identified. I think it was K-1.

(1657) Mr. Groman: K-1 is 21.

The Court: It may be received.

(Defendant's Exhibit 21 for identification was received in evidence.)

Mr. Nizer: Now continuing with the next volume, which is Volume 3, Page 92. And it continues from the prior answer.

"Q. When? A. After the concessions were granted, because I think we met on the day of signature of the contract.

"Q. And he showed you some of the photographs? A. Yes. Then I saw it somewhere in the paper."

Mr. Nizer: Do you want to offer the others? These were all identified later, D22.

Mr. Greenspoon: They were not identified by this witness. D23 I offer in evidence, D24, D25, marked on the Kabazi deposition after being shown to him.

We have the same objection, that they are unauthenticated.

The Court: When you say they are unauthenticated, I am not sure I understand what you mean. Mr. Nizer has just said that these were shown to the witness at the taking of the testimony of Kabazi.

(1658) Now there is a conflict here between the lawyers as to what transpired at the time.

Mr. Greenspoon: Mr. Kabazi said—did not—Mr. Kabazi did not identify any of those pictures. I am not even sure he identified K-1—as having been taken at the meeting.

Mr. Nizer: If your Honor will take them subject to connection and subject to strike, I think there is testimony.

The Court: My recollection is that the witness Blom, as well as the witness Vaughan testified that pictures were taken at the time.

Mr. Greenspoon: Yes, sir.

The Court: Did they not identify these pictures?

Mr. Greenspoon: No, sir, not in the depositions.

Mr. Nizer: I believe they did, and if your Honor will take it subject—

The Court: I will take it subject to a motion to strike. One of these pictures almost looks identical to or at least substantially the same, as the one that was received in evidence already. I think this is almost getting to be a captious discussion on the part of the lawyers.

Mr. VanVoorhis: Your Honor—

(1659) The Court: You may except to my statement.

Mr. VanVoorhis: No.

The Court: I thought you said you were excepting to my statement. You may, that is your privilege.

Mr. VanVoorhis: I didn't want to except. I am simply saying that I think we should proceed.

(D22, D23, D24, D25 for identification were received in evidence.)

Mr. Nizer: The last question referred to the photographs.

"Q. And he showed you some of the photographs? A. Yes. Then I saw it somewhere in the paper."

* * *

(1660) "Q. Do you recall that the other representatives all came up to the front table at that moment and looked at this Kufra document, the particular agricultural document? A. No.

"Q. Did they all continue to be seated as they had been previously? A. Some were round me. They didn't need to stand up. Some were sitting on this side behind me. According to your description, I didn't notice such a thing. There were people, of course, behind me on the sides. As I said, the room was very crowded.

"Q. They were not around the table at any time, all of them? A. Some of them. I remember French people, some Italian people.

"Q. They didn't stand up and come over to the table at any particular time that you recall? A. This would have been a very peculiar fact.

"Q. Did you call on anyone except Mr. Vaughan to say anything? A. I don't remember. Excuse me, from Occidental, do you mean?

"Q. No, from anyone. A. Yes, maybe someone. I remember this tall fellow (1661) from a company which put very miserable documents. They didn't have the proper paper, and so on. It is a Texan. We didn't understand what he meant by his submission. That may be the only one.

"Q. You called upon him to speak? A. Not speak no. I said 'What do you mean by this?' So he stood, maybe, and somebody may have photographed him. I don't know.

"Q. Were there reporters in the room? A. Not reporters. Some people had their own camera."

* * *

"Q. I show you this photograph and ask you if this represents a scene at the time that the Occidental application was opened? A. No, I don't recollect it connected with Occidental, because otherwise Mr. Vaughan should be on my side and he is not here on my side.

Faud Kabazi, E.B.T.

"Q. What was that scene about, with everyone crowded round the table? Have you any recollection? A. I don't recollect why.

* * *

(1662) "Q. I don't know that I showed you this. This is the first one. Does this represent an actual photographic scene? A. This is what I saw. This is the photograph that I have seen.

"Q. That you saw, that reminded you that Vaughan did speak to some extent about this application, right? A. No, I wouldn't say he spoke, because I only wanted to know which is which, and something like this. We made a comment about the cows. In fact, you can see Mr. Hangari smiling about it. Maybe Mr. Vaughan will remember what is remarked, because I have a few gags sometimes when I am tired; so I want to make the atmosphere much fresher. You can see how he is smiling. I remember commenting on these cows, and maybe I said something which amused the people. But, of course, I don't register things which don't interest me personally.

* * *

(1663) The Court: Is there any reason in light of the witness's identification of D2 for identification that it should not be admitted?

Mr. Greenspoon: He only identified the one, your Honor. He said it looked like a scene. We are not objecting at this point.

The Court: This may be marked D22. It is marked.

Mr. Nizer: I will skip Mr. Greenspoon's comment that he wanted copies of that, which I said I would agree to do.

Now we continue after that colloquy to the question on the same page, 94.

Faud Kabazi, E.B.T.

"Q. Did the various oil representatives show special interest when the Kufra fertilizer agricultural proposal of Occidental was announced, when you opened the bids? A. Not to me at least, because we didn't read it.

"Q. Do you read the Sunday Ghibli? A. Yes.

"Q. I read to you from an issue dated August 8, 1965, and ask you if this refreshes your recollection. That is my sole purpose. 'Libya land rush' an oil country goes to bid. Vast interest by oil companies.' That is the heading. Then the first sentence, 'Minister of Petroleum (1664) Affairs, Ess Fuad Kabazi, opened bids for new oil concessions last Saturday in Beida. By then —"

I am skipping—"all the 104 bids had been opened,' after 1820 hours. I will skip some, and this is what I want to call to your attention, though you may read the whole article. 'Oilmen everywhere had been awaiting years for this opportunity. Pressmen were there, so were contracting organizations who will be brought in to work the concessions when they are granted.'

Now I skip to this sentence: 'At first the Minister read out the terms offered in the bids, but soon decided that time was insufficient for other than announcing the company name and lots it wanted,' as you have testified. Now goes the following sentence. 'Oilmen showed special interest in a bid by Occidental Oil which was accompanied by a leather-bound volume detailing how Kufra Oasis could be developed industrially and agriculturally. Occidental, which has fertilizer interests, had bid for a much-wanted area of country in the Syrtica.' Does that refresh your recollection that Pressmen were present, newspaper men, reporters? A. Might be present. I can't detect who is Pressmen. It wasn't a closed door.

(1665) "Q. Does this also refresh your recollection that oil men also showed special interest in a bid by Occi-

dental which was accompanied by a leather-bound volume detailing how Kufra Oasis could be developed industrially and agriculturally. Does it refresh your recollection that they showed a very special interest in that one? A. I couldn't know what went on in the mind of other people, but when we opened the bid, as I said this morning, it was all very well bound, with the Libyan cows and so on. It was a surprise to see such a beautiful presentation. That's all. How could I say they were interested in the Kufra project?

(1666) "Q. Did they not come up to the table in the crowded scene shown on Defendant's K2"—that's D22 now in evidence—for identification? A. This is what I can't connect, the people coming to the table in that photograph, because I was standing, while when I opened the bid I was sitting. I can't tie up this photograph with the fact.

"Q. Does the sentence I read you from the 'Sunday Ghibli' together with what I previously showed you, the Defendant's Exhibit K-2"—that's D22 for identification—"sufficiently identify the subject together so that you know now it rings a bell in your mind on this? A. No. I don't connect the photograph because I was sitting. That is the trouble. I shouldn't have been shown there."

* * *

(1667) "Q. I show you this photograph, which we will mark in a minute, as Defendant's Exhibit K4"—that's D23—"and show you the picture of yourself standing there and these two packages, white, with this ribbon around it. Would you identify these two packages on Exhibit K4"—that's D23—"as the Occidental application? A. Yes. The only one who had the ribbon, actually.

"Q. That's right.

"(Photograph marked Defendant's K4 for identification.)"

Mr. Nizer: That is now D23.

"Q. Is that already in evidence? A. Yes.

"Q. Now I show you what we will mark K5"—that's D24—"that indicates that the packages have been opened, the Occidental application, and you have the two volumes before you, is that correct? A. Yes."

Mr. Nizer: Now, we offered in evidence P24, which is now in evidence. That is K5.

Mr. Greenspoon: No objection.

(1668) "Q. At this time there is no one around the table except the executives, I take it. Is this Mr. Girushi? A. No. This is Mr. Hangari.

"Q. And who is this gentleman, please? A. This is my secretary."

* * *

(1669) Mr. VanVoorhis: Your Honor, what I am about to address myself is to a trifle but I would like to straighten it out.

There was a point this morning when your Honor thought that I said that I excepted to a statement by the court but what I was saying was that I accepted it.

The Court: Well, it's perfectly all right.

* * *

"Q. And who is this gentlemen, please? A. This is my secretary.

"Q. So, on Exhibit 5"—which is now D24 in evidence—"the only people at the table shown are— A. No. There are all people known here on this side of the table.

"Q. We will see that in a minute. You are right about that but, at this point, you are seated in the center, with (1670) the two volumes of Occidental's application, is that right? You can recognize them here, can't you, on Exhibit 5?"—D24. "A. Yes.

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"Q. Now I show you Exhibit 4 for identification"—which is D23 now in evidence—"that shows the people seated on the other side, away from the table, right? A. Yes.

"Q. Now I show you Exhibit 6"—which is D25 in evidence—"there are people now beginning to go over to the table, standing around it. It is clear that you have opened the Occidental application, isn't it? A. Yes. They are spectators.

"Q. Spectators coming over to the table? A. Yes.

"(Photograph marked Defendant's Exhibit K6 for identification.)

Which is now admitted as D25.

"Q. Now I show you the picture I showed you before. I show you Exhibit 1"—that's D21—"and that shows Vaughan pointing out something in one of those volumes of Occidental. A. Yes.

"Q. And more people are coming closer. Do you see that? (1671) A. And laughing, yes.

"Q. Now, I show you Exhibit 2"—which is D22, your Honor—"does this refresh your recollection that this scene developed until everybody was standing around the table; not everybody but a large group, as represented here, is that correct? Does it come back to you? A. It is a photograph, yes.

"Q. Did you hear or didn't you overhear one of the executives of another bidder saying to one of his associates, 'Why the hell didn't you think of that,' with respect to Kufra? Did you ever hear that comment? A. Why?

"Q. Why didn't you think of that yourself," when the Kufra proposal was being pointed out around the table at this scene. A. Who said this?

"Q. That one of the executives of a competing company said out loud to his associate, 'Why in hell didn't you

think of that'? Did you hear that comment? A. I can't remember these things.

"Q. After all the sealed bids had been opened, they were submitted to a three-man special commission? A. Yes.

"Q. Would you be good enough to give the names of (1672) those men? A. Besides myself, Mr. Geroushi and Mr. Hangari, as I said this morning."

* * *

"Q. They were to evaluate these various bids and make a recommendation to the High Council of Petroleum Affairs. A. The committee.

"Q. The committee was to do that? A. Yes.

"Q. When did the committee of three meet for the first time to consider the various bids? A. Immediately. The following day."

* * *

"Q. Between August 1st, when they met immediately after the opening of the bids, and the recommendation which they made, how many sessions were held? A. It is daily work for not less than six weeks. With interruptions, if you take them all in a lump, it might be about six weeks' work.

"Q. When was the recommendation of the commission of three made to the Higher Council? A. This should be the beginning of November or the end of September, three months from the opening."

(1673) "Q. I am not asking about the meetings of the Higher Council. I haven't made myself clear. It is my fault. I am asking you as to the date, if you know, approximately when the three-member commission submitted its report, whatever it was, to the Higher Council. A. First of all, I submitted it myself and I made the report.

"Q. When? A. That was very late in October but the committee had finished at a certain time their work. The committee was three people but these didn't do any evaluation. They (1674) just abridged all these things and made a resume. They gave me the tables and I put in everything and started working them and prepared my report. I convened the High Council and we had various meetings, of course, until somewhere in November, when we were asked to stop because there was a change in the law. In fact, this is what I recollect. I recollect the important events and not the small ones."

* * *

"Q. Now, I understand it. Where did the Higher Council make its recommendation to the Council of Ministers? A. It did it in the beginning of February, after the recess. We had a recess from November to 26 January because of the amendment to the law.

"Q. Let me see if I understand the sequence of time. (1675) The committee of three considered the matter and it was finished with its work— A. And left it to me, yes.

"Q. It was finished with its work in the month of September some time? A. Yes.

"Q. Would you know whether it was the early or latter part of September? A. No, because we were working together. Whenever we had time we sat and did some little work.

"Q. You don't recall whether it was the beginning or end of September? A. No. There is no minutes, nothing at all. It is a working committee.

"Q. So they finished, the committee of three, in September; you presented it to the Higher Council of Petroleum Affairs in about the end of October or November? A. Yes, because we met for over maybe a week. Then we were told to stop, when the law had to come

out and we had the discussion of the law instead of the concessions.

"Q. I am just getting the sequence fixed in my mind. Then the Higher Council of Petroleum submitted its recommendations to the Council of Ministers in February, 1966? A. Yes, after the acceptance of the law."

* * *

(1676) "Mr. Nizer:

"Q. Now, this morning you testified about the Oxytrol matter? Do you recall your testimony on that? A. Yes, I spoke about Oxytrol because I was asked about it.

"Q. What was your recollection at that time? A. My recollection was that if Oxytrol is really an efficient product, which can help in transporting the vegetables and fruits from Kufra to the coast and maybe also outside Libya, this would be a great help, if the Kufra project was implemented because the distance was a problem.

"Q. Did you ever learn more about Oxytrol? A. Not at that time but later I had the chance to know about it and how it works and so on, of course.

"Q. When did you learn that? A. Only last year in Paris.

(1677) "Q. Do you mean 1968? A. Yes, because the Kufra project came out in the news very recently again.

"Q. Did you ever learn about Oxytrol or its purposes and its effects prior to the last year in Paris? A. No. I was told briefly that it just keeps fresh the vegetables. Then, of course, I put it in the back of my mind until the project was mentioned again and, of course, I immediately thought about the importance of having the ways and means of transporting this product. Otherwise, it would deteriorate.

"Q. You say when it was in your mind again. You said Kufra was in the news again lately. What was the news of Kufra lately? A. The company starting inspect-

ing, making feasibility study. Then quite recently that they found water, though the water had been always there, of course, but the importance is whether this water could be used or not in the sand. The news is that something is being done and might be implemented.

"Q. Was this water found as a result of the Occidental agricultural development project? A. This is what I am interested to know, whether it is found. We knew that Kufra is full of water.

(1678) "Q. But it was never before? A. No, never before. They tried to develop it because of the distance.

"Q. Didn't Occidental drill the well which found the water? A. They drilled but I don't give it exception about finding oil. Water is there.

"Q. I didn't say finding oil. I said wasn't it Occidental's efforts and drilling of the well that found the water. A. Well, you have to drill, yes, of course.

"Q. And it was Occidental who did that as part of its agricultural plan? A. Well, it should be. Everybody is saying it was Occidental.

"Q. Yes, and that finding of water, do you consider that extremely important to Libya? A. It is a very elementary question. Of course the answer is yes Water is life. It is better than oil.

"Q. That is exactly the question I was going to ask. Now, coming back to Oxytrol, after the bids were opened but before the awards was made, did you attend a trade fair in Tripoli? A. No. I wasn't there. For three years I wasn't in (1679) Tripoli during the fair.

"Q. Does it refresh your memory at all that there was on exhibition an exhibition booth maintained by Occidental at the trade fair? A. No. I knew there was an oil company pavilion, which I was supposed to visit.

"Q. Didn't you visit the Occidental booth at this fair yourself? Does it come back to you? A. I didn't attend three editions of the fair because I have always been in Beida or outside the country."

* * *

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"Q. Between July, 1965, and February, '66, didn't you visit the Occidental booth at the fair that was held in Tripoli? A. I haven't been to the fair for three years so, 1966 is one of the years which I haven't been. What I remember, I haven't seen the fair for three years and 1966 is the one actually where I couldn't even see it at all because I have been away from Tripoli."

* * *

Mr. Nizer:

"Q. Did the Prime Minister of Libya ever (1680) talk to you about this film demonstrating the Oxytrol process? A. We were on very bad terms, so he wouldn't talk to me about anything entertaining or anything interesting like this.

"Q. How long were you on bad terms with the Prime Minister? A. For about a year."

* * *

"Q. Beginning when? A. Beginning 1966 and finished 1967.

"Q. Beginning 1966 means January, 1966, as early as that? (1681) A. No. Starting from concession or the concessions.

"Q. From the time the concessions were made or opened? A. Since we announced the concessions.

"Q. From the time of the announcement of the concessions and prior to the time you had been on friendly talking terms with the Prime Minister? A. Well, normal terms; not friendly. We give more importance to the word friendly."

* * *

"Q. Now, were there any minutes or notes of any kind kept of the meetings of the committee of three? A. Not the committee of three, no, because it is working committee, as I said. It is not discussing committee. It is just work."

* * *

"Q. Was there a secretary of this committee? A. No.

"Q. Were there any minutes kept of the meetings of the Higher Council of Petroleum Affairs? A. Yes.

"Q. Was there a secretary to keep those minutes? A. Yes.

"Q. What was the name of the secretary? (1682) A. Mr. Hangari.

"Q. Were those minutes part of the regular official files of the government? A. Not in a sense. They are minutes which are only made to remember exactly what has been said.

"Q. That is the purpose of the minutes, isn't it? A. Yes.

"Q. My question is, were they kept in the files of the government? A. They have been kept in the High Council file, which is separate from the Ministry's file.

"Q. Have you ever had a copy of those minutes? A. You mean myself?

"Q. Yes. A. No. The question is whether I had them?

"Q. Did you ever have a copy? A. Well, I will have to read them.

"Q. No. Not the original. Did you have a copy that you had of those minutes which were kept in the file? A. No. They are in a register."

* * *

"Q. In a book? A. In a book which you can read.

"Q. And that book, so far as you know, is still (1683) available? A. It should be.

"Q. You have no notes or memorandum of any kind with respect to those names except those which are in the book? A. In the books they put down what is going on and possibly, if somebody asks to please register, they would be doing it verbatim, so he would be registered, so what do you mean by memorandum?

"Q. Did you have any notes or memoranda of what took place at the meeting, aside from what was in this

book? A. Well, at least in this particular case there is one memorandum by myself to begin with.

"Q. In the book? A. Not in the book, no. It should be in the file. This is what I submitted to the council, just to start the meetings.

"Q. That document you have a copy of? A. Not with myself. We are not supposed to take copies of official documents out.

"Q. Why is that? A. You can forget them some place or somebody else could get hold of them. You can read them. Of course, you can take them on your own responsibility but if they happen (1684) to fall into other people's hand's it is trouble.

"Q. It is against the law to take out documents that are a part of the file? A. The man who is in charge in the post who is official can take any documents he wants, provided he doesn't extract them from the files. They must be kept confidential and if he is not sure of himself, he shouldn't take them.

"Q. Did you always follow that practice yourself? A. I preferred because, as you see, I am not registered everything. I might forget a wallet or forget a briefcase somewhere in a train.

"Q. So you never took out any document from an official file? A. Not myself. Please distinguish between a document and the file, which is official. You can have the file and open it and not take the document. Taking the document means opening the dossier. This is forbidden.

"Q. Is that true in general under Libyan practice and law? A. Up to now it has been a rule in fact. We never had any difficulty.

"Q. For example, if any correspondence were sent to anyone, it would have to be in the official file if it was (1685) sent by the government official, wouldn't it? A. Yes.

"Q. Have you ever kept a diary at all? A. No.

"Q. Have you any notes of your own with respect to the meetings, either of the committee of three or of the Higher Council? A. No.

"Q. You never had them? A. Never had a diary. Never had an agenda."

* * *

"Q. And you never had any memoranda or notes of what took place, any memoranda? Do you understand what I mean? A. For myself?

"Q. Yes. A. No, never. You notice that I don't keep any records. I keep forgetting everything. It keeps the mind fresh. Unless you told me in advance, look, this will be required in court or something like that.

"Q. When this committee of three met to evaluate the various proposals in the sealed bids which had been opened, were you guided by one consideration, what was best for the goverment and the people of Libya? A. Yes. (1686) "Q. Did you consider that all recommendations, decisions and resolutions of the council should be treated as secret from any third persons? A. Of course."

* * *

"Mr. Nizer:

"Q. Did you doubt also the members of the Higher Council of Petroleum Affairs? A. Not only doubt but I was sure that as soon as we discussed things, they were all out. In fact, they were all out in town.

"Q. You mean that they violated the law and the honor of the situation by revealing to third persons what was discussed? A. I found out everything outside the meetings in fact.

"Q. Did you ever do that yourself? A. Not myself.

"Q. Did you ever speak to anybody on the outside about what was happening in the meetings? A. Not myself."

* * *

(1687) "Q. When they made the summary, which I think is what you meant to tell me, of what was in the applications, did they do so in your opinion carefully, examining everything that was in them? A. Yes. They did. Of course, we found little errors, because everyone was free to go back to the originals and during the discussions, we put right all these errors, sometimes a number and sometimes a name.

"Q. Some perhaps inadvertent discrepancy? A. Or a percentage.

"Q. When you say that 'we' found errors, I take it you mean— A. The High Council.

"Q. But I take it from your description that you personally examined the application of Occidental as well as others carefully, to check all these facts of summary, is that right? A. Yes. I was interested in the conditions and, of course, I didn't read the projects but I had to know what they mean by 5 per cent and what is the ammonia plant and what is the condition.

"Q. And you checked the entire document in order to see that the committee that had submitted a summary was (1688) correct? A. Yes.

"Q. Is that true? A. Yes.

"Q. There were, we have counted them up, I think 15 exhibits annexed to 74"—which is P130—"the application of Occidental. I take it that when you referred to 'the papers,' you are referring, of course, to all the exhibits as well as to the documents of proposal itself, is that right? A. Well, it is paper, yes. It is a general term."

* * *

(1689) "Q. Now, you have testified this morning with considerable emphasis as to the importance of having a marketing outlet for any oil that would be found. A. Yes."

* * *

"Q. I call your attention to that subject. A. Yes.

"Q. In the application of Occidental you found the letter which referred to the outlet of marketing of the Signal Oil and Gas Company? A. Yes.

"Q. And I think you have already told us that you recognized the Signal Gas and Oil Company as an outstanding company for this purpose, is that right? A. Yes.

(1690) "Q. When I say you so considered, I mean at that time, when you read the application. A. Yes."

Continuing on Page 119.

"Q. In coming to that conclusion, aside from any prior knowledge which you had, you observed that the application referred to the fact that the Signal Oil and Gas Company—I am quoting—'is in a uniquely favorable position to purchase such crude by virtue of its 126,000 barrels per day refining capacity, a significant portion of which is located in Belgium and West Germany, and for which refineries Signal is now unable to supply crude of its own production.' You recall that? A. Yes, of course, I don't mean the figures, but I recall the statement.

"Q. You accepted the figures as correct at that time, didn't you? A. Yes.

"Q. And you have had no reason to change your mind about them since, have you? A. No.

"Q. So that you were satisfied, convinced at the time, that Signal had refinery capacity which it would not satisfy from its own production and therefore needed (1691) to purchase crude daily from outside sources? A. Yes.

"Q. You also carefully examined at that time an exhibit annexed to the Occidental application which was the Annual Report of 1964, the current year at that time, of Signal Oil and Gas Company. You recall that too was annexed? A. Yes.

"Q. Just to summarize a few things, without taking too much time that report revealed to you at the time that Signal Oil and Gas Company had assets of over a half a million dollars? A. They are details, anyhow.

"Q. Do you have a general recollection of that? A. I have an appreciation of how Signal would be convenient enough for Occidental if any oil was found. That's all.

"Q. And was very responsible and large and able to do the job? A. Yes, exactly, as I said this morning.

"Q. Then, without stopping, I will just represent that that is in the report. I think we will save time not to show it to you and all of that. That report also showed that the Signal Oil and Gas Company had a book net worth (1692) of over $323 million. I am not asking you to recall the specific figures now. A. I wasn't interested in Signal as such. I was interested in what is its capability to absorb what Occidental might find.

"Q. In other words, you mean you don't recall the specific figures of its capacity? A. No, because besides Signal I know about 100 others. Of course, there were enough documents to show that.

"Q. This company, just to cite one other figure that was in the application—I just call it to your attention, I don't ask whether you remember it at this moment—had annual sales of over $681 million. You also recall that you had the impression and were satisfied at the time, were you not, that Signal Oil and Gas Company had worldwide marketing facilities? A. Yes.

"Q. And that it maintained four refineries—Houston, Germany, Belgium and California. Do you recall that, or do you accept it as being in the report? A. I can't recall the refineries.

"Q. It is in the report? A. That is right. If it has been in our hands, it (1693) means we have looked at it at that time and it is closed.

"Q. And at that time, after the bids were opened on July 31, 1965, or August 1965, you knew that? A. Yes.

"Q. Now, were the other two associates of yours on the Committee of three, as far as you know, likewise satisfied with the standing of Signal Gas and Oil Company to absorb the marketing at capacities necessary if oil were found? A. At least Mr. Girushi, because he has been in oil for a while, while Mr. Hangari didn't know much about oil at that time.

"Q. So one of them knew of it of his general knowledge and the other just didn't know but accepted the report, is that what you mean? A. Yes.

"Q. So that the three of you of the Committee were unanimous on this subject? A. Yes."

* * *

(1694) "Mr. Nizer: Yes, it is Exhibit 8 to P74, which is 130. Letter shown to the witness. Of course, you read that previously, at the time the bids were opened, didn't you?

"A. I don't remember whether the Chase Manhattan letter was concerned with Occidental or not, but I remember also saying that it is not actually a promise of backing."

* * *

(1695) "That is why we spoke about Mr. Allen."

* * *

"Q. We will come to what you spoke about this morning. My present question—do you want to read it first? A. I remember all the assets and all these things."

* * *

"Q. Yes. First, I want to be clear that at the time that you and the Committee of three altogether studied this application, you had before you the letter of the Chase Manhattan Bank dated July 22, 1965, annexed to the ap-

plication and sent by the vice-president of the Chase Manhattan Bank, No. 1 Chase Manhattan Plaza, New York. A. It is what you call a bank reference, yes.

"Q. I am not asking you to characterize it, because it speaks for itself, but you read that document? A. We read that document, yes.

"Q. Is there any document any place in the application of Occidental which refers to Allen & Company? A. No. I said I knew it through the connection.

"Q. No, please answer my question, not how you knew it. (1696) A. Not in this block.

"Q. Not in the application or any of its exhibits? A. Yes.

"Q. Does the name Allen & Company appear once in any document filed with your Government by Occidental in its application? A. No.

"Q. Does the name Galic appear even once at any place in the application for concessions filed by Occidental in all of its exhibits and documents? A. No.

"Q. Does the name Charles Allen appear any place in the documents filed by Occidental? A. This is 'no,' too.

"Q. And is the same answer, that it doesn't appear, true for Herbert Allen? A. No.

"Q. It doesn't appear? A. No.

"Q. So that at all times that the Committee of three was considering this matter, it had before it, on finances in the documents filed by Occidental, only the letter of Chase Manhattan Bank and the Signal Oil Company (1697) letter with respect to responsibility of marketing, is that correct? A. Yes.

"Q. And, in addition to that, it also submitted, for financial reference, Occidental's Annual Reports and financial data, did it not? A. Yes.

"Q. Is the same true when the matter was before the Higher Council of Petroleum Affairs, namely, to be precise, that the documents before that Council officially filed that had been opened under seal and which were not to

be amended or varied, as you have testified, had no mention of either Galic, right? A. No, as before.

"Q. Please answer these questions. No mention of Ferdinand Galic, correct? A. Correct.

"Q. No mention of Herbert Allen, correct? A. Correct.

"Q. No mention of Allen & Company? A. No.

"Q. And the resume of this working committee of three which you have referred to— A. Not mix the working committee with the Higher (1698) Council.

"Q. I am talking about the Committee of three. A. The Committee of three has no Minutes, I said.

"Q. I didn't say so. You said they submitted a summary to you. I am referring to that. A. In advance, this is no.

"Q. 'In advance no' means that that summary never mentioned Galic, correct? A. Yes.

"Q. Never mentioned Herbert Allen, correct? A. Yes.

"Q. Never mentioned Charles Allen, correct? A. Yes.

"Q. And never mentioned Allen & Company, correct? A. Yes.

"Q. And that is also true at the time that this went before the Council of Ministers, there was nothing in any official document filed by Occidental which mentioned any of these people? A. No.

"Q. So that, all the way through in all the proceedings here, it is true that none of the names of either Galic, Charles Allen, Herbert Allen or Allen & Company (1699) were ever mentioned in the documents? A. Exactly.

"Q. Had you ever dealt, either officially or in any other way, with the Chase Manhattan Bank prior to this occasion when these bids were opened? A. No, never.

"Q. Did you have a very high opinion of that Bank at that time? A. Yes.

"Q. Did you consider at that time, as well as now, perhaps, but certainly at that time that that bank, if not the foremost, is one of the few foremost banks in the world? A. Yes."

* * *

"Q. Is Allen & Company registered to do business in Libya? A. No.

"Q. Is Mr. Herbert Allen registered to do business in Libya? A. No.

"Q. Is Mr. Charles Allen registered to do business in Libya? (1700) A. No.

"Q. Is Mr. Ferdinand Galic registered to do business in Libya? A. At least, as such as a name, no.

"Q. I didn't understand your answer. A. He might have some business in Libya, but not under this name.

"Q. What name would you recognize that might be a Galic name that is registered? A. I have no idea; but, having come to Libya very often, Galic has no commercial name in Libya, or at least in business, anyhow.

"Q. Is there any business that bears the name 'Galic' of any kind that you know of? A. In Libya?

"Q. In Libya. A. I said no.

"Q. Did you ever receive from the Chase Manhattan Bank a letter in connection with the responsibility of the Occidental Petroleum Corporation? A. Besides this one?

"Q. Yes. A. I don't remember.

* * *

(1701) "Q. Now, this official letter annexed to the application of Occidental, this official letter of the Chase Manhattan Bank, revealed to you at the time when you read it and considered the matter that Occidental had at that time a net worth of 67 million dollars, is that right? A. I don't recollect figures.

"Q. I will show it to you, so that it will refresh your recollection. A. If the letter was there, it means we have read it, but between having read and registered what was in it, there is a lot of difference. What I know is that I didn't pay much attention to this letter because I had other things in mind when I dealt with this affair.

"Q. Wasn't the matter of financial responsibility that important to you then, you mean? A. Yes, of course,

but I was satisfied, in advance of the concession itself. I was already satisfied about Occidental financially before even the concession was submitted, because of what I have said previously.

"Q. So that the letter of Chase Manhattan Bank— A. In fact, we might read it, but it is not a financing commitment, is it? I don't know whether we have (1702) to read it again.

"Q. Mr. Kabazi, did you ever get a financial statement of Allen & Company? A. Officially?

"Q. Any way at all. Did you get a document? A. No.

"Q. Did you ever get a financial statement of either of the Allens? A. If you explain to me what is the meaning of financial statement and what concern—

"Q. A written statement of assets. A. To me?

"Q. Yes. A. No."

* * *

(1703) "Q. Did you ever ask Allen & Company to supply a financial statement of support for Occidental's application at any time? A. I never asked for it except at a certain time, as I said this morning.

"Q. Did you ever ask to have annexed to the application for further support or financial responsibility a financial statement of assets? A. I didn't.

"Q. Did you ask Mr. Galic to supply one? A. That is exactly what I did when I wrote him the letter.

"Q. You asked him to supply one? A. In the letter you told him to confirm what has been always told, and this is clear. Can I read it to you?

"Q. We are going to come to the letter. Right now I ask you: Did you ever ask Galic to submit a financial statement of assets and liabilities? A. No. As you put the question, the answer is no.

"Q. Did you ever know at that time what the Allen & Company's assets net worth were, as compared to the $67 million that were in the Chase Manhattan Bank for Occidental? A. The assets of Allen?

"Q. Yes. (1704) A. He said definitely he can get any money."

* * *

"Q. No, listen to my question. Did you ever ask for the net worth of Allen & Company just as the Chase Manhattan Bank gave the net worth for the Occidental? A. I must be clear on it. You asked me whether I asked whom?

"Q. Allen & Company first. A. No. I said I had no direct contact or connection or correspondence with Allen. I wasn't supposed to.

"Q. Did you ever request in writing that there be filed as for the financial responsibility any financial document of Allen & Company? A. No.

"Q. Now, the letter of Chase Manhattan Bank represented to you as the Minister of Petroleum of your country, that the Chase Manhattan Bank regarded—and I quote this from that letter—'the management of Occidental as capable and experienced and feel that any dealings you may have with them will be handled to your satisfaction.' You read that at that time? A. Yes, I read it."

* * *

(1705) "Q. When your committee of three made its recommendation, or summary, and you made the recommendation, did you take into consideration that document as one of the documents annexed to the application? A. No, they didn't know what it means.

"Q. They didn't know what it means. Do you know what it means? A. Myself?

"Q. Yes. (1706) A. No, I didn't mind about it, because I thought of other things."

* * *

"Q. In determining the financial stability of Occidental, did your committee take into consideration the annual re-

ports of Occidental for the years 1962, 1963 and 1964 annexed to the submission, the application, as Exhibit 5? Did it?"

Mr. Nizer: What number is Exhibit 5, Mr. Pollio?

Mr. Greenspoon: It is part of 130.

* * *

"A. As an exhibit it has been reviewed, of course.

"Q. Did you and your committee of three also consider a progress report of Occidental for three months ending March 31, 1965, which showed that the gross revenues for those three months were approximately $6 million more than for the same three months of the preceding year? Did you take that into consideration as one of the documents? A. I can't remember.

(1707) "Q. If you can't remember, perhaps I can help you refresh your recollection. (Report annexed to P74, which is P130, shown to the witness.) A. The answer is no, I don't recollect. I have read about 100 or so of these things.

"Q. It may be I have not put my question precisely. I am not asking whether you recollect now what happened in 1965, when this was going on. I don't expect you to carry every figure in your head. If that is what you mean, I want you to be clear. What I am asking is—see if I can make myself clear—that now that it is brought to your attention, do you recall that at that time you gave that matter your full consideration? A. The committee has given the matter full consideration, but the committee is not here. I can answer only as to what I did.

"Q. You gave it full consideration? A. I mean the full reading was done by these two working people and I only had to see the results, resume and go back eventually to any documents if I needed.

"Q. You either went back to this document to check it or it was given to you, right? A. Yes.

"Q. And you considered, did you, now that I call it (1708) to your attention,—perhaps you don't remember —also two investment advisory letters filed with Exhibit 5, on June 14, 1965, and I show them to you, because I want to refresh your memory. A. I have no basic memory of this. I don't recollect.

"Q. I show them to you as documents which were annexed to the application, and I ask you whether you will give the same answer as before, that at the time that this matter was being studied these documents, as well as others were studied. A. If this is the question, the answer is yes.

"Q. That is the question. To quote from one of the documents which you studied, just one brief sentence: 'Occidental is in a strong financial position,' that is the statement issued by Kerr & Company, and the next one that I want to quote, from a special report, 'This year's revenues are expected to exceed $200 million.' I quote further, on the subject of fertilizer and agricultural chemicals. 'Occidental has already made vast strides towards its goal of becoming basic in the major elements of fertilizers and to produce and market these products on a global scale.' Now I ask you, since you have testified, I take it, that you considered all these matters at the time —whether you (1709) remember them now or not, I understand—after reading the Chase Manhattan Bank letter, the Occidental Annual Statements which I have just quoted some things from, the interim progress report which I have quoted from, and the two investment advisory letters which I have quoted from, did you thereafter, after the bids were opened, make any request to Occidental, through its authorized representative or directly to the company, to provide anything else on the financial aspect? A. No.

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"Q. The High Council of Petroleum Affairs had on it nine members altogether, is that right? A. No, it is eight, five Ministers and three outsiders, officials.

"Q. Were you the ninth as the Petroleum Minister? A. Chairman.

"Q. Was that nine or was that eight with you, or was it nine with you? A. If you will allow me to go through again, Mr. Petroleum, Mr. Industry, Mr. Finance, Mr. Planning and Economy. It should be eight, not nine.

"Q. First, there is Minister of Petroleum Affairs? A. Yes, Petroleum, Economy, Finance, Planning and (1710) Industry.

"Q. How about the Governor of the Bank of Libya? A. He was one of the three others. I forgot about the Governor, nine and three others. He wasn't a Minister, actually.

"Q. So that there are nine altogether and that includes you as the chairman? A. Yes.

"Q. Now, this High Council of Petroleum Affairs—maybe for brief purposes, if you will agree, we will call it 'the Committee of nine' it is always easier. A. Okay.

"Q. Did this committee of nine have the duty of voting finally with respect to what recommendations it would make to the Council of Ministers? A. The voting, if it is necessary, it is done, if there is a clash.

"Q. Was there a clash? A. Oh, yes.

"Q. Did you vote in this matter at any time? A. Yes.

"Q. You did? A. Yes.

"Q. Were you permitted a vote even if there was no (1711) tie or were you only authorized to vote if there was a tie? A. We didn't have an internal rule, but I always used to vote. Of course, if there was a tie, that is why there were nine. I think, so that the chairman—"

* * *

"Q. On the question of whether you had authority to vote unless there was a tie, I do respectfully bring your

attention to Article 5 of the Libyan Petroleum Law. It is Section 5 of the resolution of February 23, 1964, of the Libyan Petroleum Law: 'Decisions of the Council shall be taken by a majority vote of the members present. In the case of an even vote, the president shall have a casting vote.' Does that bring back to your mind— A. It doesn't bring to my mind, because I have been in so many Councils and so many committees that have the same pattern. It doesn't strike me that I have been read in that law, because it is everywhere. This is everywhere.

"Q. That being everywhere, you will agree then that unless there was a tie you had no vote? A. No, I could vote like the others.

"Q. This doesn't say that, does it? A. Okay. Anyway, there wasn't a tie, and I voted (1712) against all.

"Q. You voted against all. Who was 'all'? A. The members.

"Q. They had all one opinion, you had another? A. At the end, yes.

"Q. So that there was eight against you and you vetoed, you overcame all eight? A. Yes.

"Q. With your vote? A. Wait a minute. Not at that meeting. I took it to the Council of Ministers.

"Q. When you took it to the Council of Ministers, to report the view of the committee of nine, which is the Higher Council of Petroleum Affairs, you reported your view— A. And their view.

"Q. And their view too? A. Their view and my view, and I said that I am against it. Then I said in the Council why, which I didn't tell the other eight. I acted as a member of the Council of Ministers, which is the real body, not to waste any—not to waste my time in the Committee of nine."

* * *

(1713) "Q. You never told the committee of nine why you disagreed with all eight of them? A. Yes. But my colleagues which are in the same committee knew it when we went to the Council of Petroleum. The colleagues who are members of the committee of nine are also members of the Council of Ministers so they had chance there.

"Q. But there they learned about it for the first time? A. Yes."

* * *

(1714) "Q. Was there any document, report or written memorandum of any kind sent by the Committee of nine to the Council of Ministers? A. Yes.

(1715) "Q. Was that document prepared at the Committee of nine, or was that the same document which the committee of three, as a summary, had prepared? A. No, it is a document prepared by the committee of nine because they had to express their opinions. The committee of three has no opinion.

"Q. They had just a summary. The committee of nine also expressed an opinion? A. Yes.

"Q. Did you have a copy of that opinion? A. As I said before, I don't keep official papers. I had to sign it, of course. As a Minister, I had it and I signed it.

"Q. Did you submit to the Council of Ministers a separate opinion from that of the Committee of nine? A. Not written.

"Q. Orally? A. Orally, yes.

"Q. But the only written opinion was submitted by the committee of nine which expressed the view of the other eight? A. Yes. The other eight, and mentioning that I was not agreeable with them.

"Q. And that document would, of course, be on file with the Government at the present time? A. Of course, yes.

(1716) "Q. In submitting this written opinion, were there submitted all applications for the same blocks, or just those that in the opinion of the committee should be awarded to

certain people? A. The memoranda are several memoranda and we had various clashes and disagreements, and we didn't reach the mentioning of blocks till the end. Before we reached that, we had various memoranda with the contra opinion, and I overruled the council of eight and went back again to meetings.

"Q. Did the Council of Ministers review all applications, or only those selected by the Committee of nine? A. No, only those selected by the committee of nine.

"Q. When did the council of nine complete that written report? I think we had some dates before. A. There have been various, as I said, from the first meeting, which may be round late October and beginning of November. Then we stopped, as I said, for the amendment of the law. Then we had other memoranda on the amendment of the law, and then at the end, when the law was accepted and the deadline was 26th of January, 1966, we resumed our talks about concessions. Of course, we had to review all the returns of the various oil companies which have accepted the new law and see whether they have added any new (1717) condition, because the law made economics different."

* * *

"Q. That wasn't changed by the new law, was it? A. It was changed.

"Q. How was it changed? A. Actually, I didn't participate in the period when the law was going to be accepted, but I think they asked the oil company who submitted a bid with the old law, if the new law seemed inconvenient to them, to change their conditions, because some of them in fact changed. From a certain percentage of profits, they went down, or took away certain privileges.

"Q. Was that letter of agreeing with the law that you went to all applicants, also sent to Occidental? A. Yes.

"Q. Did Occidental say that it was willing to stand by its application as it had been submitted? A. I can't say

this, because I didn't read their letter, but when I came back in the office I found that (1718) Occidental's name was still on the list of those standing. So it means they agreed.

"Q. Just for the record—it is now an exhibit already in this record—I show you this letter which was marked previously Plaintiff's Exhibit 3, (155) signed by Armand Hammer, president of Occidental of Libya, Incorporated, *re* new concessions, addressed to you. A. Yes, but I wasn't there, actually.

"Q. 'New Concession Applications. Gentlemen: This letter is to officially notify the Ministry of Petroleum Affairs that Occidental of Libya, Inc. will, subject to all Libyan Petroleum Laws and Amendments thereto, leave in force and effect its bids for new oil and gas concessions as were submitted on July 29, 1965.' A. That is what I assumed.

"Q. That is just what you said. This is the letter that confirms that? A. Yes.

"Q. Now, when the committee of three forwarded through you a summary and your view to the committee of nine, was that summary and your opinion made public to the world, or was it deemed confidential? A. It was for the Council.

"Q. It was deemed very confidential? (1719) A. Yes.

"Q. When the committee of nine made its recommendation to the full council of ministers, I take it that also was deemed a highly confidential document? A. Well, it was, because it contained also the allocation. It is confidential because it is not definite. That is the trouble. In fact, the Council acted in a completely different adjudication.

"Q. And as you say, that even contained some recommendations, I suppose, on blocks and things, so it was even more confidential? A. Yes."

• • •

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"Q. Until the formal announcement was made by the Government of the concessions granted, all interim affairs, events, votes, recommendations and summaries were very confidential, weren't they? A. You mean, they didn't leak?

"Q. No, they were to be deemed. A. Deemed, yes.

"Q. They were, under law, to be absolutely confidential? A. Naturally.

"Q. Indeed, until such formal announcement was made, (1720) as you have indicated, by the Government about who had won, any official who divulged any such confidential information to any applicant would be guilty actually of crime under the law? A. If it is not authorized to do so.

"Q. If it is not authorized by whom? A. By his office.

"Q. Now, you have described the Council of nine, but apparently some of these members also sit on the Council of Ministers. A. Yes.

"Q. Would you be good enough, please, to give me an outline of the Council of Ministers, indicating which ones were new, who had not been in the matter, and which ones had already sat on the Higher Council of nine? A. We mentioned them already, the Minister of Finance, the Minister of Economy—

"Q. Which ones are these—that had already sat on the committee of nine? A. Yes.

"Q. You gave us that. I don't think you have to repeat that. Those would be how many? Those would be five? A. Five including myself.

"Q. Now, who was there of that group that also sat on the council of Ministers, all of them, I take it—or not? (1721) A. I have to remember who was not. I suppose they were there.

"Q. First, did they have a right to be there? A. They have a right and might have been there, all of them, or somebody missing.

"Q. But they could be on the council of Ministers? A. Because, if somebody missing, there was somebody acting for him.

"Q. But these five including yourself were also, so far as their office and titles were concerned, part of the council of Ministers? A. Yes.

"Q. And if one of them could not come, then how would you substitute for him? A. If he is in town, it means he is just absent. Nobody can act for him, unless he delegates him to explain something. But if he is away from the country, by law he has to have somebody acting for him. So it means one of the Ministers might have two or three hats in the same meeting.

"Q. Did that occur in the consideration of the Occidental matter? A. I can't answer this. I can only remember that in the council of nine we had some absent and some acting for the other. This is because it is a small committee.

(1722) "Q. You don't remember as to the Council of Ministers? A. Well, I have to go one by one to remember their places and whether they were there or not.

"Q. I don't want to tax you; but, if you can, will you tell me whether any of them were absent so far as you can recall? A. It might be, but I am not sure. I didn't mind. Maybe I wished they were all absent.

"Q. I didn't hear that last answer. A. I said maybe I wished in my heart they were all absent, so that I can have my way.

"Q. If anyone is absent, who designates the person who may substitute for him, if that is done? A. It is the person himself, with the approval of the Prime Minister."

* * *

Mr. Nizer: Your Honor, before we continue reading, we have agreed upon a translation of something which may save a few moments.

In Exhibit D26, which is the Libyan Petroleum Law, at page 29 there is a provision, paragraph 3, which (1723) reads:

"Any public official or employee who has been entrusted with or who has come to know of any

confidential information by virtue of this law and who divulges such information, shall be liable to the penalties provided for in article 236 of the Penal Code."

We have the Penal Code in Arabic and a translation of just one section, because there is no use burdening the record with the rest, and we have stipulated now that this is an accurate translation in English of article 236, "divulgence of official secrets":

"Every public official who violates the duties of his office or abuses them by divulging official information which should remain secret or facilitates by any available means the arrival of its indulgence, shall be punished by imprisonment of not less than six months."

The top of it has the translation on that page, which is D28. It is the thesoris of the Libyan legislation, the collection of penal legislation, 1965.

I offer this in evidence as the excerpt referred to in D26.

Mr. VanVoorhis: We are not stipulating the relevance or applicability of this to the present cause (1724) of action.

* * *

"Q. I think you told us; maybe not: How many members were there of the Council of Ministers? A. At that time I think there were 19, because it changed during those years from 13 to 19. We were 21 at a certain time, but at that time it was 19, I think.

"Q. When did the Council of Ministers first meet to consider the various applications? A. On the 20th February. No; I am sorry. For the definite decision?

"Q. No; first. I said, when did they first meet. A. It was in November, immediately after when we were

ready; November before the changing of the law; November, 1965.

"Q. I am talking now about the Council of Ministers itself. A. Yes. As I told you, the Council of nine, or the Committee of nine, had various arguments, and whenever they had a deadlock they made a memorandum to the Council of Ministers, waited the ruling; then they came back and resumed their work. So the Council of Ministers had (1725) to take into the agenda at various times this subject of concessions and the council of nine's decisions; but the real meeting to review the whole thing and decide was on the 20th February, 1966.

"Q. That was the first meeting of the whole Committee to decide the whole thing after all these requests? A. Yes, for adjudication, because no definite adjudication was submitted to the Council of Ministers before that date.

"Q. Did they review the applications for submissions as well as the recommendations of the committees below? A. Not the applications, no. They had to read my memoranda and the tables which I had prepared myself, and all the explanation and justification.

"Q. How many meetings did the Council of Ministers hold? A. Only one, because it was specifically made for that.

"Q. That meeting took place on February 20th? A. Yes."

Mr. Nizer: This is continuing on the top of page 146.

"Q. And how long did it last? A. Six hours.

"Q. Of course, before the February 20th date, when the (1726) whole Council of Ministers met, nobody could be sure or know who was going to get any awards; no one knew that? A. No one.

"Q. Was the Council of Ministers subject to the same practice and law which you have told us existed with the

other committees, namely, that they were not to consider alleged information outside of the submissions themselves? A. This is supposed to be, yes."

Mr. Van Voorhis: Just a minute, please. Hold that for a moment. There is an objection here. The same objection as was previously made with respect to the questions of law asked of this witness and particularly inasmuch as this answer appears to be contrary to subdivision 6 of article 7 of the Libyan Petroleum Law offered in evidence by the defendant as D26 which states, among other matters—

The Court: What page?

Mr. VanVoorhis: 13, your Honor:

"Q. The applicant shall, at the request of the Ministry of Petroleum Affairs, furnish any further relevant information which may be required by the Ministry and which relates to his application."

Mr. Nizer: I don't see that contradicts it nor (1727) is that an objection to this question.

The Court: Well, first, I was going to ask you before Mr. Nizer said anything how does that contradict this statement? It simply says that he may request additional information of any applicant.

What has that got to do with disclosure or considering matters outside of the application itself?

Mr. VanVoorhis: The question is, they were not to consider alleged information outside of the submissions themselves. That seems to—

The Court: I'll take it for whatever it's worth.

Mr. VanVoorhis: It also, I might add, is in conflict with the letter of submission of Occidental of Libya, Inc., submitting this application, dated July 29, 1965, which says to the Minister of Petroleum Affairs, this witness, "Kindly be advised that should

your Excellency and/or other ministers desire to have further clarifications or discussions of any aspect of our proposal, then the parent company, Occidental Petroleum Corporation and its world-wide subsidiaries, would be pleased to make available both technical and management personnel for such meetings."

* * *

(1728) "Q. Did the Council of Ministers render its decision in writing? Did they make a written report, findings? That was the real decision, wasn't it? A. Decision, yes. It should be decision.

"Q. When was that done—on February 20th? A. February 20th."

* * *

"Q. Was that decision voted upon by a regular vote at the council? A. Well, we didn't vote. They were unanimously accepting my suggestions.

"Q. So it was unanimous at that time? A. Unanimous. After discussion and giving all the explanation, they accepted my suggestions. This was a decision accepting what is in such and such document, which is my memoranda with the annexes and tables.

"Q. I suppose that before February 20th you didn't (1729) know whether they would accept your recommendations, unanimously or otherwise? A. Well, this is a personal answer. I was sure.

"Q. You were sure? A. Yes, I was sure myself.

"Q. Even though you had the whole group against you in the committee of nine? A. Yes.

"Q. That was purely a subjective view? A. Subjective and based on serious grounds.

"Q. Serious grounds in your mind? A. Yes.

"Q. You hadn't take a vote, of course, at that time? A. No, because I was the man to explain and convince them of what I wanted.

"Q. And you were confident that you could? A. Yes; and at the end, after six hours of ordeal, they had to agree.

"Q. You didn't take any informal poll or vote before the 20th February meeting, did you? A. Well, this is a little indiscreet.

"Q. You didn't do it, then, if it is indiscreet? A. No, I didn't go around asking for votes. I was (1730) only sure of one factor.

"Q. Was it necessary, before anything could be finally decreed of decision, that the Prime Minister would have to get the King's decision, of your country? A. Yes.

"Q. Was this approval obtained only after the Council of Ministers had made its vote? A. It depends on what you want to get the approval of.

"Q. I am talking of the Council of Ministers. A. The Council of ministers by law submits anything which the King has to sign and be published.

"Q. That is not the question. A. That is why the Prime Minister can seek for certain items the approval of the King before doing something, as the King might ask 'Don't do anything before you ask me.'

"Q. In other words, even if the Council of Ministers was unanimous—let us assume that—until the Prime Minister got the approval of his Majesty, that was not a binding examination? A. In this particular case, do you mean?

"Q. Yes; in any case. A. This, of course, is confidential for anybody, (1731) but approval was in advance. We had the approval of his Majesty before going into the matter.

"Q. The approval of—? A. His Majesty, before we went into the matter, because he knew it was a very serious thing.

"Q. In writing? A. No; the King never does.

"Q. And the approval was of certain awards to be made under certain applications? A. On the whole thing.

"Q. By 'approval' you mean that he wasn't approving what the Council of Ministers would do, but merely that he was agreeable to certain recommendations? A. Yes, what actually I suggested to him. I am not doing it against modesty, but this was the case."

* * *

"Q. Mr. Kabazi, I think I noticed that you had the stenographer's minutes of yesterday's hearing before you, is that correct? A. Yes. I just received it now.

(1732) "Q. You have not read it previously? A. No.

"Q. Did you discuss the case with Mr. Greenspoon after yesterday's session? A. What does it mean? Excuse me?

"Q. Did you talk to him?

"The Commissioner: The question, Mr. Kabazi: Did you discuss yesterdays hearing here with Mr. Greenspoon last night after the hearing was over?

"A. No. I am fed up of it. I wouldn't discuss it even with my wife, so it is no.

"Q. Did you talk yesterday at all to Herbert Allen? A. Yes, of course.

"Q. Where did you meet with Mr. Herbert Allen yesterday after the session? A. After the session? He met from here on the road.

"Q. Did you meet with him thereafter at any time? A. Yes. I invited him to dine with me.

"Q. And who else was present when you dined with him? A. Mr. Galic, Mr. Greenspoon and Mr. Parr.

"Q. When did you meet yesterday afternoon after this session these gentlemen? At what hour was it, about? A. I can't say what hour. What is the dinner hour normally? Quarter past 8? Half past 8? I didn't know I was (1733) followed, you know, as a criminal, so I didn't keep a record even for last day. As you see, I don't keep much interest in hours and dates and so on.

"Q. Did you meet before dinner hour or only at the dinner hour? A. At the dinner. In fact, they joined me at the dinner.

"Q. And during the dinner hour did you discuss your testimony at all? A. No, we don't discuss. My character is never discuss the business, and if you want to digest you have to talk about many things, you know.

"Q. There was no mention made of your testimony in any way at the dinner hour? A. No.

"Q. And after dinner where did you go? A. I went to sleep.

"Q. Did you spend any time with these gentlemen after the dinner hour? A. No, because it was too late—not too late; I was tired, you know.

* * *

(1734) "Q. My last question is: You are now telling us that during yesterday afternoon's meeting with these gentlemen at no time did you discuss with them or they with you anything with respect to your testimony? A. That is exactly, for the time we met; because, you know as I said, I was fed up and I wouldn't discuss it further because there was nothing to be discussed. In fact, if your informer was there by the table I would say he would have been laughing all night; and really when I talk I enjoy myself.

"Q. Did you discuss your appearance here as a witness with Mr. Greenspoon at any time before you appeared here yesterday? A. No.

"Q. Did he at any time go over any questions that he (1735) might ask you with you? A. Who?

"Q. Mr. Greenspoon. A. No.

"Q. Never? A. No.

"Q. The first time you heard the questions which were put to you yesterday was when he put them to you—A. It was the first time, really.

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"Q. And did Mr. Herbert Allen at any time before you testified yesterday discuss with you the substance in any way of your testimony? A. I didn't know him. I knew only when you asked for identity."

* * *

"Mr. Nizer: Q. Did Mr. Galic discuss any of the subject matter of the testimony that you gave yesterday before you appeared yesterday, or did you not discuss it with him?

"A. No, because I had been with Mr. Greenspoon and Mr. (1736) Galic was talking something else. I didn't have time to talk with Mr. Galic.

"Q. So that at no time—I am just summarizing it—prior to your appearing yesterday on the witness stand did you discuss with Mr. Galic anything about the subject matter of your testimony; is that correct? A. This is the correct position."

Mr. Nizer: Going to the next page, down to the third question on page 157.

"Q. In 1961 you were Minister of Petroleum of Libya; is that correct? A. That is what I said.

"Q. Is it a fact that in 1961, in order for a company to make a geological survey in Libya, a Government permit had to be obtained? A. This is in the law, yes.

"Q. Did the law also require that the permit had to be made out in triplicate? Do you know what I mean by 'triplicate'? A. This is a small detail for secretary.

"Q. And that it had to be sent to the department of the petroleum and a copy to the Minister of Petroleum. A. Maybe.

"Q. Not 'maybe.' Do you know whether that is so or not? (1737) A. I am not going into details of law, because the Romans say 'The paper talks while the verbal won't', and I can only answer about what is said if I am going to examine and I study at least—you know. Even the

student or the pupil you have joked about needed to see his books before going to exam. I thought I had nothing to do with law affairs in oil business.

"Q. Did you, as Minister of Petroleum, receive copies of applications for geological survey made by any company? A. No. They go to the department. I don't see them.

"Q. Does the law, or do you know whether the law requires that a copy be sent, in addition to the department, by the department to the Minister of Petroleum? A. This is up to the lawyer.

"Q. I am talking of the Ministry of Petroleum. A. Yes. The Ministry's lawyer, if he knew that this should be done, he would do it.

"Q. Do you know whether it should be done or don't you know? A. No, I am not sure about that. I am trying to be blunt about the law now for the time being.

"Q. Trying to be what? A. Blunt. I would have to see it again, unless you give me two or three days and then I will answer you.

(1738) "Q. I show you Article 6— A. It is no use to me, Mr. Nizer. Why you waste my time? I am not, you know, here to joke or to learn again. I did my business and that's finished.

"Q. I read to you from Article 6— A. You do.

"Q. —of the Libyan Petroleum Law, which is now marked 'Defendants Exhibit K-8'."—Which is D26. "The first subdivision says: 'Permits. Applications for permits shall be submitted in triplicate to the Ministry of Petroleum Affairs, which shall forward a copy to the Minister'. Does that refresh your recollection that under the law the Ministry of Petroleum Affairs was obliged to forward a copy to the Minister of Petroleum Affairs? A. You have the law in front of you. No matter whether it refreshes my mind or not. I want to know what you want from me. I want to answer questions which are relevant to what you want from me.

Faud Kabazi, E.B.T.

"Q. And my question is: As Minister of Petroleum Affairs, did you not receive copies of any application by any company for a geological survey to be made in Libya? A. I don't remember."

* * *

(1739) "Mr. Nizer: Q. Is it not a fact that Occidental obtained a permit and conducted a geological survey in Libya in 1961 while you were the Minister of Petroleum?

"A. I don't remember.

"Q. Do you deny that there is in the records of your Government an application which shows that while you were Minister of Petroleum in 1961 Occidental under law obtained a permit from your office to conduct a geological survey for oil in Libya? A. I don't deny it. I don't deny it. I don't know it."

Mr. Nizer: Continuing at the top of page 163.

"Mr. Nizer: Q. In 1964 you were again Minister of Petroleum?

"A. Yes. We said this yesterday.

"Q. And is it not a fact that in September 1964 Richard Vaughan introduced himself to you and met you in the Oil Ministry? A. Maybe. 'Maybe' is about September, not about Mr. Vaughan, because he is a reality.

"Q. Did he tell you that he represented Occidental Petroleum Company at that time? A. People told me before he came that he represented (1740) Occidental.

"Q. Did he confirm that when he talked to you? A. Yes.

"Q. And did he tell you that Occidental had experience in utilizing gas currently being flared by oil producers in the Libyan fields? A. I don't remember specifically that meeting. This is something which is in the back of my mind, but who put it there, I don't know whether it is Vaughan or other people.

"Q. In other words, you recall being told that but you are not sure it was by Vaughan; is that correct? A. By Vaughan at that meeting or anyone else. This is general knowledge.

"Q. Was the Oil Ministry at that time vitally interested in the utilization of this gas that was being flared? A. The answer is: Yes. It doesn't matter. This has been put on papers. All countries are interested.

"Mr. Nizer: Did Mr. Vaughan tell you that Occidental at that very time was embarked in a project of utilizing such gas that was being flared in Saudi Arabia?

"A. I still insist that I don't connect this with Mr. Vaughan's visit.

(1741) "Mr. Nizer: Where did you obtain the information, if you did, that Occidental was doing this in Saudi Arabia?

"A. I could have heard it from Saudi Arabia itself.

"Q. But you have no recollection one way or the other; is that what you mean? A. It is knowledge which I have in my mind, and it may be in the newspapers.

"Q. In other words, you know that you knew that, but you can't say one way or another whether it was Mr. Vaughan who told you. Is that a fair summary? A. Yes. This is to be very truthful.

"Q. Did Mr. Vaughan on that visit give you a copy of the Occidental annual report in 1964? A. I don't remember.

"Q. You don't deny it, I take it? A. No. My office was full of these brochures, you know. I told you Occidental was talked even in the cafes, you know. So I don't know when Occidental has been injected into my mind.

"Mr. Nizer: Q. My question is: When you say you don't remember, you don't deny it? You don't remember it one way or another?

"A. Well, what is there to deny? I told you my office (1742) is full of these brochures. I don't know when they came and who brought them.

"Mr. Nizer: Your best answer is that it may be so but you don't remember?

"A. In connection with Mr. Vaughan, please. Don't take me, you know, out of—

"Mr. Nizer: Yes, in connection with him, as to whether he—

"A. I insist that I will not answer exactly on any meeting with any person, because as I know I would forget in two or three days.

"Q. Except with Mr. Galic? A. Except with Mr. Galic, because—All right; this is to be put on record.

"Q. Didn't he, Mr. Vaughan, tell you that Occidental had been interested in Libyan Oil when he met with you in 1964? A. I can't say this.

"Q. Did you know that Occidental from any other source, perhaps—did you have knowledge that Occidental was interested in Libyan oil? A. Yes.

"Q. And you knew that in 1964? A. 1964, yes."

(1743) Mr. Nizer: I go from there to the next page, down toward the end of the page, 166, beginning in the middle of the page with the question:

"Q. So far as you know, you don't know one way or the other whether Occidental of Libya had been registered to do business in Libya as early as 1961? You don't know that one way or the other? A. I know it is registered because it couldn't have business in Libya; but when and how and who did it—

"Q. I say in 1961. You don't know one way or the other? A. I don't know.

"Q. Do you recall whether Mr. Vaughan on that occasion in his 1964 visit asked you when the Government would accept offers for concessions? A. Maybe. This is the normal question everybody putting.

"Q. Now, prior to 1965, there were concessionaires operating in Libya for oil, were there not? A. Quite many, yes.

"Q. And these concessions at that time had been obtained by negotiation rather than by bids, is that a fact? A. At that time, yes."

* * *

(1745) "Q. Did any of your assistants bring you up—Did you or your assistants, did your office, come across a proposal for a concession filed by Occidental with your predecessor? A. It has not been mentioned to me.

"Q. You never knew that until I mentioned it here (1746) today? A. Me?

"Q. You never knew of that possibility, that fact, until I mentioned it here to you today, is that correct? A. I can say yes.

"Q. By 'yes,' you mean you never knew that? A. Never knew. Even Mr. Vaughan didn't tell me actually.

"Q. Are you sure of that now? A. Yes, I am sure. Nobody told me that they have any application before the—this is very certain.

* * *

"Q. You told me a moment ago, sir, that whenever a matter came up, then you would trace back the file. A. Yes.

"Q. When the Occidental matter came up in the applications for bid in the preliminary talks, did you trace back the file in the case of Occidental, as you said your practice was? A. No, we didn't need, because the practice at that (1747) time was there should be an announcement first, and everybody should put a new application in. They didn't mention their application I think in these papers. I don't remember.

"Q. Are you sure of that? A. I am sure.

"Q. How do you recall so clearly that Mr. Vaughan did not mention the prior application— A. Because this is a very particular—

"Q. Excuse me, let me finish my question. A. I know all of your questions in advance.

"Q. Thank you. Let me state it for the record, even though you know it. How were you so sure, since you have said that you can't remember these matters with Mr. Vaughan, why are you so definite that he did not tell you of a prior application for concession by Occidental? A. This is information. This is very interesting information which triggers my mind and makes me do something which I would remember. That is what I registered, what I did in a certain action. If he told me this I would have gone to the files and did something which would remain in my mind. Other talks, you know, what is Occidental, how good is for the president, how clever he was or how one is esteemed or something, it goes like a wave on my mind, (1748) because these things have nothing to do with me. A. They don't trigger my mind. I know things since I was four years old because they triggered my mind.

"Q. For what reason had the matter been raised? For what reason would you have gone back to the file at that time? You say if he had mentioned it you know you would have gone back to the file. A. Having known the law that it requires a new announcement and a completely new set of applications and so on, if they said something like this I would be interested to know what they proposed in the old application, or this application would trigger my mind if it had something to do with priority. It didn't, so it was completely out of question."

* * *

(1749) "Q. Did Ferdinand Galic ever have an option on all the oil and gas concessions of Libya? A. This is his business. I didn't know about his internal business.

"Q. Would you know whether anybody had an option on the oil and gas concessions of Libya? A. No.

"Q. As Minister of Petroleum you wouldn't know that? A. If I knew it, I would put them to jail.

"Q. So the answer is, of course, you don't know? A. I don't know. I wish I know now.

"Q. So far as you know, therefore, that is not a (1750) true statement, is it? A. As the Minister for Petroleum, I didn't know. As a normal Libya, I hear it being said everywhere."

* * *

"Q. Could anyone have an option on all the oil and gas concessions in Libya without the knowledge of the Oil Ministry? A. Would anybody—?

"Q. Could anybody have an option on all the oil— A. If he—

"Q. Let me finish the question. A. Yes, I could or should, or something like this? I didn't understand you. You mean could not by law or on personal grounds?

"Q. No. Could anyone have an option on all the oil and gas concessions in Libya without the Ministry of Oil knowing about it? A. I have to explain. The law doesn't permit this.

(1751) "Q. So therefore if anybody— A. Wait a minute. And the law, if you go and you study the question of assignment, nobody can own or have any share without the consent of the government, but that assignment becomes what is called a clear business. The law permits participation, shareholding, and so on, but you have to follow a certain administrative procedure, but anybody on his own can have any option, any share, any percentage. The world is full of brokers."

* * *

"Q. Were your expenses for this trip paid by anyone? A. No, sir.

"Q. You are paying for it personally? A. Yes.

"Q. Have you been promised any reimbursement fee or expenses? A. No. I didn't accept it, even if they promised me.

"Q. Was a promise made? A. No.

"Q. You mean to say that the entire expense of (1752) of your coming to London and being here for this examination has been borne by you personally? A. Because I am not coming only for this examination. I want to dedicate some part of my time. I am coming for my own business.

"Q. And even though you are appearing here without an order which can compel you to come here, you say that neither Mr. Allen nor Mr. Greenspoon on behalf of Mr. Allen has made you any promise to reimburse you for your expenses here? A. No."

* * *

(1753) "A. I said no, anyhow. You see when the questions are interesting how I answer very gladly. This is no, because I say I didn't come specifically for the witness. I made myself available in Libya or any place I will be round my own, you know, timetable."

* * *

(1754) "Q. Now you testified yesterday that you had many meetings with Mr. Vaughan after the first time? A. What many? Unless he kept a record, he can't tell us.

"Q. Would you accept his record? A. Well, if he brings a record of old meetings and I find them reasonable, I accept them.

"Q. Over what period of time did you meet with Mr. Vaughan? Would you give us the period of time? A. He has been manager of Occidental for a while, and during his term, of course, we met either in Tripoli or in Beida.

"Q. Can you give me the period of time over which you met with him? A. I don't remember when he started being manager and when he left. I remember he left after I left the Ministry.

(1755) "Q. When did the meetings with him begin, according to you? A. They began since he came to Libya till I left the Ministry."

* * *

"Q. Was Occidental the first company to ask about concessions? A. I would not answer the question this way. I could answer only as the first company I heard of, since I came in office in 1964, that was interested in concession. As I said in my previous witness about the various people who came to see me saying this.

"Q. But was Occidental the first company that asked for concessions when you came into office? A. Not asked. They contacted me to know whether we are going to open concessions, because they are interested."

* * *

(1756) "Q. To ask about concessions? A. About concessions, what was going on, because at that time it was completely urgent.

"Q. Occidental was the first company to ask about concessions in what year? A. 1964, as soon as I came in office, I started seeing people.

"Q. Then you have told us that there were some friendly contacts by people who knew you. A. Yes. They came and asked what about concessions?

"Q. One of these contacts you said was General DeRovin? A. Yes.

"Q. How did you meet General DeRovin? A. This is another thing. I am not interested in General DeRovin. He might have seen me in the street or even in somebody's office. Anyhow, something which is real and definite, that he never came to my office."

* * *

(1757) "Q. General DeRovin never came to your office? A. No.

"Q. Where did you meet him, then? A. In the street. Maybe he came to my house, I don't remember.

"Q. Did you ever invite him to your house? A. No."

* * *

"Q. He never visited you in your house? A. That may be. That is what I cannot say, because we have oc-

casions where people drop in and they introduce you to somebody, and then he goes and says 'I met the Minister.'

"Q. Who introduced General DeRovin to you, if anybody? A. He knew a lot of people around. He has been bashing around in Tripoli and the Libya Palace for a long time. Many people knew this General.

"Q. How many years would you say? A. A long time.

"Q. By a long time, do you mean months, then? A. I started thinking about what is going on in the oil scene in 1964 when they brought me back. General DeRovin was a personage in Tripoli. I seen him in the (1758) Libya Palace, in the street, with friends, and so on. I remember well he asked me about when concessions are going to be opened, that he is interested because he had a company called Occidental which would apply for, and so on.

"Q. When for the first time did you meet General DeRovin? A. I do not remember. This is hopeless with me.

"Q. Would it be long before the concession matters of 1964 and 1965 since he was bashing around, I think you put it? A. It was in 1964, anyhow.

"Q. You knew him then? A. Yes.

"Q. Did DeRovin introduce Galic to you? A. No, I cannot say this."

* * *

"Q. When you say you cannot say, you mean that you don't remember or it is not true? A. No, because after a while, the name Galic and Rovin has been mixed up together. DeRovin actually claiming to be representative but Mr. Galic was introduced to me, as I said, before, by Mr. Ogbi who was already officially (1759) local representative of Occidental. So this is the first time I concentrated my thoughts about Occidental because I had seen really decent and competent people for the first time.

"Q. Did you ever see DeRovin and Galic together? A. No, never.

"Q. Did you ever see DeRovin and Galic together? A. No, never.

"Q. Do you say that you don't remember or that it is not a fact that DeRovin introduce Galic to you? A. No.

"Q. When you say no, I don't understand? A. This is very definite. Mr. Galic was introduced by Mr. Ogbi.

"Q. And not by General DeRovin? A. No. I can say also that I never seen them together.

"Q. You said that DeRovin spoke on behalf of Occidental? A. No, I did not say this.

"Q. Did he say he represented— A. He spoke of Occidental, not on behalf. We have to take credentials, introductions, and so on.

"Q. Is it a fact, or do you know, that Galic was never in Libya in the year 1964? A. I met him in my office, and I believe it was (1760) 1964. If it was not, it does not make any difference.

"Q. The question is, are you certain that it was in 1965, and not 1964? A. My answers about dates have been always not certain, except the ones which I mentioned, because they struck me or because there was a connection.

"Q. Who did you meet first—General DeRovin or Galic? A. DeRovin first.

"Q. How many times after you met DeRovin did you see him thereafter? A. Whom?

"Q. General DeRovin. A. How many times?

"Q. Yes, did you see him thereafter, approximately? A. I know not what you mean. I saw DeRovin sometimes somewhere with somebody—Okay?

"Q. Yes. A. Then I might have met him, because he has been doing nothing, just bashing around, as I said. Now, what do you want me to answer?"

* * *

(1761) "Q. Did Galic mention DeRovin in connection with Occidental? A. Yes. He said he was just a crook and the Occidental people don't like him. So I must be careful about him.

"Q. Where did he tell you that? A. After we met and knew.

"Q. About what year would that be? A. I don't remember."

* * *

"Q. So before July 29, 1965, Galic told you that DeRovin was a crook? A. Yes.

"Q. Did you see DeRovin at any time thereafter? (1762) A. No.

"Q. Did Galic tell you in what respects he found DeRovin to be a crook? Did he tell you anything specifically about his background or career? A. Yes, that he goes by saying he is connected with Jacqueline Kennedy and knows—I do not know whom; and I think General de Gaulle does not like him because he is an important person in France, and so on. Then I heard that he just started not paying his debts, and so on. So I confirmed what Mr. Galic had told me."

* * *

"Q. Did you ever meet DeRovin in the presence of Mr. Khogia? A. Mr. Khogia may be one of the people I saw him with.

"Q. What year would that be in? A. Again, Mr. Nizer— (1763) "Q. If you can. A. It must be 1965 or the end of 1964, anyhow.

"Q. Did Mr. Khogia introduce DeRovin to you? A. No, I saw him with him, but I am not sure he introduced him to me.

"Q. Who is Mr. Khogia? A. He is my brother-in-law. That is why he has been roaming around him. He thinks he can get to me easier.

"Q. Where was the introduction of DeRovin by Khogia made?"

* * *

"A. I met him some time, where I cannot say. He never brought him to me officially. He has been sticking to Mr. Khogia like what you call those animals that stick?

"Q. A leech? A. A leech, thinking Mr. Khogia has any ascendant or any influence on me, and Mr. Khogia is one of the persons who has never put his feet in my Ministry, being a brother-in-law.

"Q. You met Mr. Khogia and General DeRovin together, as I understand you, either in 1964 or 1965? A. Yes. I stumbled on them.

"Q. Where did you meet them together? (1764) A. Maybe in Khogia's office, maybe on the stairs, maybe on the street, maybe in a marriage, maybe on what they call the signature of the Royal Palace book.

"Q. Did you ever see Mr. Galic with Mr. Khogia? A. Yes, of course, because Mr. Galic became a friend of the family.

"Q. By family, you are referring not only to yourself but to Mr. Khogia, your brother-in-law? A. Mr. Khogia, my brother-in-law. His friends became my friends, and so on.

"Q. Did you ever meet Slim? A. I said he came to me on appointment by a friend in Rome, and I did not know why he was coming. I sent my car to meet him and I invited him to dinner. He told, I suppose, or what the people told me, he informed Occidental of service, like those who follow me here in London, that he will be dining with the Minister of Petroleum at the Swan, and that they can come and see him. I saw him winking to some person going out, so I understood what a crook he was, too, and I was ashamed, because I knew his two brothers which are very respectable persons.

"Q. Who in Rome had sent this crook to you? A. I don't remember. I am a member of academies. He managed to find my address and somebody has wrote to me.

(1765) "Q. Even though you sent a car for him because of this reference, you don't recall who made the reference? A. There are very influential people who are common friends, and diplomacy in these academies, and so on. If you are interested in gossips, and so on, Mr. Nizer, I will give you a lot."

* * *

(1766) "Q. In your testimony yesterday, you referred to two tall men whom you did not remember. A. No, I said one was taller, and I remember him because he spoke more about the Allen Company, and so on. Mr. Greenspoon has made a name, but still I don't remember.

"Q. What name did Mr. Greenspoon suggest."

* * *

"A. I don't remember. I have to read here, what name you made.

"Q. When did Mr. Greenspoon mention any name? A. During the witness, if you remember.

"Q. Let me show you this photograph and ask you if you recollect the very tall man there as the man you intended to talk about? A. No, this is Mr. Blom. That is not the person. Blom came when things became running. But it is different type. He is tall but with a thinner face. I might know him if I see him. This is Mr. Blom (indicating)."

* * *

(1770) September 25, 1973,
10 A. M.

* * *

"Mr. Nizer:

"Q. Do I understand that your best answer is that you do not recall whether you met Galic before February 1965? A. Yes."

* * *

(1771) "Q. Did you meet Mr. Vaughan long before February 1965? A. This is also a question which I cannot answer satisfactorily. If the intention is to know whether I met Mr. Vaughan before Mr. Galic, no.

"Q. This is no? A. No. I met Mr. Vaughan afterwards."

* * *

"Q. Let me finish my question, please, sir. You did tell us, did you not, that at the time that the application for a concession was filed, you studied the documents and exhibits annexed thereto?

(1772) "Mr. Nizer: Didn't you tell us that?

"A. Yes, of course.

"Q. Didn't you also tell us that among the documents that you studied and read was this 1962 annual report of Occidental Petroleum Corporation annexed to the application? You told us that? A. Yes.

"Q. I ask you whether that report—you can take a look at it; I am not going to ask you to go through all the detail—the first ten pages of it, don't show that Occidental had at all times been in the oil business?

"Take a look at it, if you would, please. (Report handed to witness). A. Yes.

"Q. So that you at least discovered, at the time that you studied these papers, that any report to you that Occidental was not in the oil business was not correct;

isn't that so? A. I did not fix my attention on this particular point. I say I don't recollect having discovered or found any report, because in the beginning I did not have any doubt that Occidental could do it."

* * *

(1773) "Q. All right; let's try it again. Did you find out, when you studied the papers of the application for concessions, that Occidental had not been in the chemical business at all but only in the oil business? A. I have not discovered this. I am still of the opinion up to today that Occidental is a big name in the chemical field—gas, fertilizers, and all these things.

"Mr. Nizer: It is today.

"A. Yes, today.

"Q. I am saying, when these applications were filed. You see, Occidental has acquired companies since then. A. You are trying to get me to say something which I don't recollect.

"This is brain-washing. Mr. Nizer, I am very difficult on that. You cannot do it to me. Many outstanding people tried. You cannot wash my brain.

"Were it not for the fact that I have committed myself, I would not have stood such a ridiculous questionnaire. I know now why people, when they see an accident, they escape and do not lend themselves to witness.

* * *

(1775) "Mr. Nizer:

"Q. Did you later find out or not? A. No. I did not inquire much about it, because I said anybody, provided he is financially sound, he can obtain all possible technical assistance and information about oil (which actually happened) and do it. I myself can do it. This was my philosophy; so I beat everybody about this point, you know."

* * *

(1776) "Q. The Occidental contract with the Libyan Government was executed on what day, do you recall? If I told you it was March 29, 1966, would you accept that? A. I signed. If it is so, it is O.K. I don't have to accept it. You can go to the Minister of Petroleum and find it out.

"Q. The contract shows the date of March 29, 1966. A. O.K. I signed it; so it is right."

* * *

"Mr. Nizer:

"Q. Did you ever have any discussion with Galic about starting a business with him? A. No. His type of business is different from me. I am a professionalist, he is just a finance man; so we never had anything in common—in that line, of course.

"Q. So you never intended or discussed going to start (1777) a business together? A. No.

"Q. And you never had any discussion with him of going into any business with him which Allens would back financially? A. Nothing at all.

"Q. Didn't you testify yesterday—I read from page 23—as follows: Mr. Greenspoon asked you: 'After this fall meeting in 1964 did you meet with Mr. Galic or talk to Mr. Galic?' Your answer was: 'Yes. We became actually close friends, and we wanted even to start business together, having Mr. Allen, you know, behind him'. A. No. I did not say 'I wanted'. I wished we would start business together, having such a power behind us. That is my wish, if we could. So this is not right. I still did not read it and it is not a right—what you call it—rendition of what I said. I said I 'wish'. I said, 'He is such friend I wish we had business together, if we had Mr. Allen, or Allen Company, behind us'. In fact, I told you that he did not have business with me and has no business in Libya at all. I am now clear in this statement by saying that his type of business is not my line,

because I work with my brain and he works with his money, and I do not have money to put. Isn't it simple?" (1778) "Q. Do you challenge the official stenographer's— A. No, I don't challenge having said those words, because I don't record myself. What was behind my mind, what I wanted to say, was not this. We became friends and I wished we could have done, or maybe even wanted at that time to do business with him. We cannot say, both of us, because what happened I find I cannot do business for this reason, which I am stating today. So one thing explains the other."

(Reading at the plaintiff's request)

"Q. Who was it that said you could not do business together? Was it you to him or he to you? A. No. Actually, we did not start even this talk. The word 'want' is something as a wish, because one is 'volere' in Italian. Vouloir: Je veux quelque chose. I am trying to explain that the word 'want' is completely theoretical. In fact, we didn't have business together."

At 208, continuing at the top of the page:

"Q. Was part of your wish that Mr. Allen would finance the business between you and Mr. Galic? A. At that time."

* * *

(1779) "Mr. Nizer: Q. Did you ever write a scenario for a motion picture? A. A scenario, yes, of course.

"Q. Did you discuss with Galic the business of having that scenario produced as a motion picture? A. Yes, and it has been produced.

"Q. And for Allen & Company or the Allens to help back it? A. No. It sounds a very lot of money.

"Q. I know, but whatever money, who was to finance the film? A. Galic was to finance it.

"Q. Did he tell you he was going to get the Allens to do that? A. No.

"Q. Did you expect him to do that through Allens? A. No, not for the amount of money. I could have (1780) financed myself at that time.

"Q. Did Galic put up any money for this project? A. He wanted it. It is his.

"Q. When was this done? A. 1965. I remember they started shooting August 1965, I think, because it was 19th August the first thing they took, in Beida, the military parade. See how things strike me? 19th August is the Army Day.

"Q. What was the name of that picture? A. The name which I gave it is 'On the Crest of the Dune'.

"Q. What interest did you have and what interest did Galic have in that venture? A. Galic might have a commercial interest. I had a moral interest, putting my name as a script writer.

"Q. There was credit given to you on the screen. A. It is one of my titles, because I did it before for other people.

"Q. But I mean financial interest, please. A. No, there was no financial interest.

"Q. You had no financial interest in this? A. No financial interest, because in fact the film was not exploited, anyhow.

"Q. It was never released? (1781) A. Never released, for technical reasons, but I did not aim at any finance, how much it would have paid me.

"Q. But in the arrangement to have it produced, was there any arrangement as to what interest you would have if it was released and it made money? A. No.

"Q. You just gave it to him? A. He asked me to do the script for the name, you know; so I put the name on it, because it is something which I like. This is one of the things which I like.

"Q. Was there a lawyer who arranged the transaction? A. I was not present. I do not know about the transaction.

"Q. Who represented Galic in this matter; do you know? A. I don't know.

"Q. Where was this arrangement made? A. In Rome.

"Q. You told us the date, I think. What was it—August? A. The shooting started 19th August.

"Q. How long before the shooting was this arrangement made with Galic? A. One month, two months maybe. He said he just (1782) heard about this film and said, 'I want you to write down what should be done, because these Italian film-makers don't know about Libya.'

"So I told him what they do and how they make it. I am known for films, documentaries and stamps, if you are interested in something besides the law.

"Q. Do you know how much money Galic put up in this venture, approximately? A. No. I might guess. It is a one hour and a half film. It might have cost, in Italian lire, just about 25 or 30 millions.

"Q. Lire? A. Yes, lire.

"Q. Which is what? A. Italian lire. It should not go beyond 30 million, anyhow, an hour and a half.

"Q. That is about 50,000 dollars, isn't it? A. How much is the lire?

"The Commissioner: 48,000 to 50,000 dollars.

"Mr. Nizer: At that time you were still Minister of Petroleum, weren't you?

"A. Yes.

"Q. What was the name of the Italian company which produced this film? (1783) A. There was not a company. There was a group of boys who were out of work at that time.

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"Q. What are their names? A. I can remember only one, Guido Arata."

* * *

"Q. At the time that Galic told you, as you testified, that De Rovin was a crook and that Occidental did not like him, did he tell you in substance that Occidental had the record of General De Rovin and had discharged him? A. No, not really. What he said was they don't like him any longer, don't like his way of dealings; that is all. About the record, we heard it even before Occidental maybe found it."

* * *

"Q. Did Galic indicate to you that because of this revelation, this discovery of the detail, that— (1784) A. The only thing I know, they did not like him; that is all. Because of the record or what, I cannot say.

"Q. Didn't he tell you that because of that also he was discharged? A. Who?

"Q. That Galic himself was discharged by Occidental? A. No. He was very glad that Roven was away.

"Q. He was pleased with that? A. Yes.

"Q. Didn't he tell you that he also was discharged? A. No.

"Q. Didn't he tell you that he was planning a litigation against Occidental? A. No.

"Q. He never told you that? A. No. Dr. Hammer told me they had litigation and had to pay him money, and so on. I did not know.

Mr. Nizer: I read where I proposed to skip to, at the bottom of page 213:

"Q. Galic, despite your close friendship with him, never told you that he was planning to sue Occidental? A. I was surprised when I knew it. In fact, we don't say private things. You will see it in the deposition, Mr.

Galic does not know about me much; how chatty and how we (1785) enjoy ourselves when we are together. We don't know each other's private business, unless we have to reveal it on purpose.

"Q. Did Galic ever give you the record of De Rovin? A. What you mean, writing?

"Q. Yes, show you his record? A. No. He just put to me 'Beware'; that is all.

"Q. Did he specify why you should beware? A. Yes. He said he is a crook; he told a lot of lies; he taken money from friends, and so on; beware and don't see him any longer, and so on. In fact, he disappeared from the scene afterwards. I don't even need to worry about him.

"Q. Did Galic ever suggest any business enterprise with Khogia? A. Not to me.

"Q. Do you know of any such? A. I am not sure because, as I said, I don't put questions on private things.

"Q. Would you know from your brother-in-law Khogia whether there was ever any business relationship between him and Galic? A. If I am interested to know and if he is willing to say, maybe.

(1786) "Q. But have you talked to him about it? A. No, I don't like talking—

"Q. Did he ever tell you anything about it? A. Who?

"Q. Mr. Khogia, your brother-in-law. A. I did not ask him.

"Q. Did he tell you during any conversation whether you asked him or not? A. No."

* * *

"Q. Did Galic, aside from financing this motion picture, ever finance any other project in which you were involved, directly or indirectly? A. No. I did not have in mind any project. I did not need it, financing, so I did not.

"Q. Do you know of any financial interest which Galic has in any enterprise in which you have some interest, whether it be financial or otherwise? Is there (1787) any such thing? A. No. This is sure.

"Q. At the present time are you in any financial enterprise of any kind with Galic? A. No.

"Q. At the present time? A. No.

"Q. Do you know of any venture in which Galic and the Allens are engaged? A. No."

Mr. Nizer: Reading at the top of page 216, still at plaintiff's request:

"Q. Is there any plan pending or being discussed for a business venture in which you, Galic and the Allens would be involved? A. No.

"Q. Between the middle of July 1965 and February 20, 1966, when bids were announced, how many times approximately did you meet Galic between those dates? A. I cannot say how many times.

"Q. When you and Galic met, did you meet, I presume, in your office at the Ministry? A. My statement would be that after the first official meeting with Galic in my office, I don't (1788) recollect any other meeting with Galic in my office.

"Q. Then where were the other meetings held? A. Either in my house or in his hotel room or outside; I mean in Libya. Outside Libya, of course, it was much easier.

"Q. In Libya first, you would meet on some occasions in his hotel where he was stopping? A. Yes.

"Q. What hotel was that, please? A. Normally, he stays at the Uaddan. He may change his mind.

"Q. I may have interrupted you, but he changed once, I think you said? A. I do not know whether he changed, but mostly the Uaddan, and where I have been it is the Uaddan.

"Q. And you would visit him at his hotel, the Uaddan, on some occasions? A. Yes."

Mr. Nizer: Reading still at the plaintiff's request at the top of page 217:

"Q. How many times would you say that you visited Galic in the hotel in Libya, at the Uaddan? A. My visits in the Uaddan or in any hotel were very few. It should have been for reasons, maybe because I (1789) had somebody at home, or something like this. So they are very few.

"Q. When you say 'very few', what would you mean by that—three or four? A. Three or four maximum. It should not be beyond."

Mr. Nizer: Now I continue reading where I propose, at 217:

"Q. Did you write to Galic between the fall of 1964 and February 15, 1966? A. Continuously.

"Q. Did this correspondence refer to Occidental's application for concessions? A. In code, yes.

"Q. In what? A. In code.

"Q. Was this correspondence written on Government stationery? A. I would not say. I normally use my correspondence if it is my own private business, or my own private correspondence, my own paper.

"Q. I am talking of Occidental's concession application. You said that you wrote to him about that. Would those letters be written on Government stationery or on your own? (1790) A. My correspondence with Galic was always on my own paper. It might be headed paper; it might be a scrap of paper, depending on the subject and the urgency and the situ. I doubt whether I would have written to Galic on private matters on Government paper.

"Q. I am now referring to the correspondence involving Occidental's application for a concession. You don't consider that private, do you? A. I consider the talk about Occidental between me and Galic from the day he met me as something which is very confidential and relates to him, and I did not tell even Ogbi what I wrote to him. I did not tell even Vaughan what I wrote to him.

"Q. But so far as the Government of Libya is concerned, any correspondence you had concerning the application of Occidental for a concession— A. It is not official correspondence. It is, as I said, private correspondence for his indoctrination and information.

"Q. So, as Minister of Petroleum of Libya, you were writing to a representative, as you thought, of Occidental concerning an application of Occidental on your private stationery and not on Government stationery? A. Why do you say 'application', as if the whole (1791) world is around this application? I wrote to him about everything, what they say about Occidential, what I think and what he should tell me and help me, what ammunition I should have.

"Q. Did you consider this Government affairs? A. No; private affairs of Mr. Galic, because he was supposed to be the representative of Occidental on unofficial basis.

"Q. On what basis? A. Unofficial basis, an envoy.

"Q. Although he was an official representative of Occidental and you were the official representative of the Government of Libya, you nevertheless wrote this on your private stationery as a private affair? A. Unless you put it otherwise. Let's stop playing with words now. You want to use me in a way, Mr. Nizer—

"No. Look; I don't want to harm anybody, but I don't want to be used again. Why this sort of question, writing and not writing? You want me to explain the position if your client did not explain it?

"Q. I would like an answer to my question."

• • •

(1792) "The Witness: Q. I had private correspondence with Mr. Galic for the sake of Occidental. What was in it, of course, is something to be found out.

"Q. In what language did you correspond when you wrote to Galic? A. I write in Italian; he writes to me in French.

"Q. Have you copies of the correspondence, the originals he sent you and the copies of the letters that you sent to him? A. No.

"Q. Have you such documents? A. No.

"Q. What happened to them? A. I throw away all those who write to me after having learnt what is in it, and I don't know what he does with mine. They were written in a way that no-one would be compromised in case somebody like you, you know, starts judging my action, my private action. You would not tell (1793) anything even if you read one of it.

"Q. Every letter that he sent you, you have thrown away? Is that right? A. Immediately.

"Q. Were copies of this correspondence ever filed with the Government in a file? A. It is a silly question, but it is 'No'. How could it be? You imagine a letter saying 'the son of a bitch is doing this and doing that, and fighting the Government'.

"Q. The answer is 'No', you said? A. Yes. We use dirty words when we talk about some people.

"Q. Did you ever in this correspondence write to him in English? A. I do not think so.

"Q. Did you ever write a letter to Galic in English? A. I don't remember, but normally I write Italian.

"Q. As developments were taking place with regard to Occidental's application, you kept Galic informed of them, didn't you? A. Of every piece.

"Q. Did you tell him the block numbers which Occidental was going to receive, for example? (1794) A. He knew them better than myself.

"Q. Did you tell him, before any official announcement was made on February 20, 1966, of the block numbers which Occidental was receiving? A. Of course, yes.

"Q. To your best recollection, was Galic in Libya on February 20, 1966? A. No, I don't think so.

"Q. To the best of your recollection, was he in Libya on February 16, 1966? A. I wouldn't have written the letter.

"Q. Then the answer is 'No'? A No, he was not. I sent a letter by post.

"Q. Did you send it right after you wrote it? A. Immediately, the same time.

"Q. On the date it bears? A. 16th. It was sent the same day. You mean mailing?

"Q. Mailing. A. Of course.

"Q. Did you also keep Galic informed of the developments and the drafting and final si ing of the actual concession contract with Occidental and the Government of Libya? (1795) A. No; he was not interested in that; he just informed what is going on, when we are going to sign, whether we signed or not.

"Q. Did you inform Galic of the day that they were signed? A. Yes.

"Q. Did you ever meet Galic in Rome at the same time that Mr. Khogia was in Rome? A. Maybe.

"Q. Did you ever discuss with Mr. Galic and Mr. Khogia in Rome any business transaction? A. No.

"Q. Did you ever tell Galic that you were not sure at all that Dr. Hammer would find oil for commercialization in Libya? A. I am not a prophet.

"Q. Did you tell him? A. No, I did not tell this.

"Q. You never said that to Galic? A. I am not a prophet. I cannot answer, because it is not a question

of recollection; it is a question of principle. I would never say such a funny thing. I have ethic in my life."

* * *

(1796) "Q. At the same time that an award was announced for Occidental, it was also announced that Block 47, which Occidental had applied for, was awarded to Wintershal-Elwerath? (1797) A. Of course. This is an official announcement."

* * *

(1798) "Q. Also at the same time that Block 43, which Occidental had bid for, was awarded to the Union-Rheinische Company; is that right? A. This is all in one announcement, contemporary."

* * *

"Q. Prior to February 20, 1966, did you ever meet any representative of Wintershal-Elwerath with regard to the 1965 concession? A. No."

* * *

"Q. Did Mr. Galic ever introduce you to any people from a German company that was interested in oil? A. No, never."

* * *

(1799) "Q. Did Mr. Khogia, your brother-in-law, ever introduce you or talk to you about any German oil company? A. I would not allow him.

"Q. You would not allow him to talk to you? A. I would not allow him. If I don't talk even about Occidental, which is Mr. Galic's business, a friend of his, you imagine I allow him to talk about other things?

"Q. But you allowed Mr. Galic to talk to you about it? A. Of course, because he was introduced by Occidental. You think my brother-in-law is a broker? Why

should he insist on my brother-in-law? You have not any of my brother, for instance. Maybe he talked to me, too.

"Q. Have you ever discussed this case with any attorney for Allen & Company? A. I said no, I never met any of Mr. Allen's staff or attorneys.

"Q. At the time that Mr. Ogbi, as you say, introduced Galic to you, was Mr. Ogbi the registered agent of Occidental? A. I said so before, yes. He told me this, actually. I did not ask him to produce a paper.

(1800) "Q. Who is 'he'? A. Mr. Ogbi said he was representing Occidental, wants to bring people in. He brought these people and they said that Ogbi is their representative, so everything became O.K."

* * *

"Mr. Nizer: Q. You were shown an exhibit, marked P.K.1,"—205—"yesterday by Mr. Greenspan. You said you glanced at it at the time. It was page 180. You glanced at page 180 or some headings you said, I think. Was this book left with you, or was it taken back by Mr. Galic?

"A. No; he just showed it to me. In fact, it did not have that cover. It may be because I don't recollect this. Maybe he just showed it to me open like this.

"Q. And then took it back? A. Yes.

"Q. So it was never left with you? A. No.

(1801) "Q. Mr. Greenspoon directed your attention to page 180, as I recall it, and you said yes, you opened it and saw the pictures. The first picture you see is a picture of both brothers, Charles and Herbert Allen here on the left-hand side of the page. Is that correct? A. Yes.

"Q. You can distinguish from this picture which is Herbert and which is Charles, now that you see him? A. Herbert here, of course.

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"Q. And these pictures on the right-hand side are all of Charles, obviously, are they not; not of Herbert? A. I am a physiognomist. The two brothers have the same features. From this I cannot tell which is which really, though I can only guess because with Mr. Herbert the nose is different here. So maybe there are four photographs of two people or maybe not.

"Q. These are all of Charles Allen, are they not? A. Maybe so. Here it looks like him a bit.

"Q. Even after looking at those photographs, you tell us you still cannot distinguish between the two? A. Not now. I mean I have to see Charles as I seen Mr. Herbert, in life, so I can tell you."

Mr. Greenspoon: At this time we reoffer in (1802) evidence Plaintiff's 205 for identification.

Mr. Nizer: You mean page 180, the pictures?

Mr. Greenspoon: Just that portion of it, of course.

Mr. Nizer: If you want to offer just page 180, the pictures, I have no objection.

Mr. Greenspoon: It runs for eight or ten pages.

Mr. Nizer: No. Just the pictures he looked at. I don't think the rest of the story is pertinent. Since he said he couldn't recognize them, I think that page, perhaps, is pertinent.

Mr. VanVoorhis: You showed it to him.

The Court: He also said, as I recall, he didn't pay much attention to it.

Mr. Greenspoon: Well, he said he read the figures and he saw the pictures, I think he said.

The Court: The record speaks for itself.

Mr. Greenspoon: We offer it in evidence, 180 and following.

Mr. Nizer: The picture page I have no objection to.

Mr. VanVoorhis: We think that it ought to be received in evidence and accompanied by the testimony, of course.

(1803) Mr. Nizer: The testimony is in, Judge VanVoorhis.

Mr. VanVoorhis: That's right.

(Plaintiff's Exhibit 205 received in evidence.)

The Court: I am receiving page 180. The specific question was directed to that page.

Mr. Greenspoon: Your Honor, the pictures are not even on page 180.

The Court: Well, he testified to them. Am I supposed to go beyond the record here?

There are a great many questions I would like to ask with respect to some of these answers in this deposition. Obviously, I can't. I am controlled by the testimony as it was given at the time of the deposition. There can't be any question about that.

Mr. VanVoorhis: I don't think that the testimony indicates that he confined his observation to page 180. We suggest that it be received, accompanied, of course, by the testimony, which speaks for itself.

The Court: Well, the testimony speaks for itself and it doesn't really matter that much and you gentlemen are wasting precious time on a great many matters here that are really of no consequence in this case, certainly as far as the case has developed; turning up grains of (1804) sand on the ocean floor which could have no possible bearing on the ultimate disposition.

I am saying that for the record.

• • •

"Q. Have you ever taken any trips with Mr. Galic?
A. If you tell me in what sense. He gave me a lift.

"Q. You mean in an automobile in Libya? A. No; Europe; and when I was still flying, it happened that we were on the same plane. We pretended not to know each other, of course.

"Q. You pretended—? A. Not to know each other. Boarding the plane, we pretended not to know each other; so we did not sit together in the same plane. This is one instance. Then he gave me a lift in Europe because I found he was going my way.

"Q. What year was this of the plane incident? A. This I cannot remember, because I stopped flying from 1966/67 when I start having trouble with my labyrinth, but before then I flew, especially to Rome. Maybe afterwards I take car or train, but it happened that he was on the same plane.

"Q. And you pretended not to know each other? (1805) A. Yes, because I did not want to show that he has any connection with me and with Occidental; so that was the whole affair."

* * *

"Q. Did you meet with Mr. Galic and his wife or family at any time in Rome or Paris? A. Yes, various times.

"Q. Would you give me the years of these meetings, please? A. The friendship started immediately after we knew each other. Then the ties became closer after the concessions. When the concessions were over, of course, even our connection became more free, and after I left the Ministry, of course, I did not even disdain staying in his house.

"Q. You did not disdain? A. Not disdain; I did even stay in his house.

"Q. You mean you stayed in his house? A. Yes.

"Q. That would be when? (1806) A. That was somewhere after I left the Ministry, and his family was not at his home and I slept there.

"Q. What year was that? A. 1967, after I left.

"Q. How many times were you the guest at his home? A. That is the only one.

"Q. Where was that? A. In Paris.

"Q. What address was that? A. 41 Rue Spontini.

"Q. Back in 1965 did you know where he lived in Paris? A. I had to address all my correspondence to that address. I did not know the place, but I knew the address.

"Q. These letters that you told us you wrote on personal stationery were all addressed to that address in Paris? A. Yes.

"Q. Where did he write to you? A. He write from everywhere.

"Q. Where did he send you his answers? A. To my post office box mostly.

"Q. Is that a way to get correspondence to your home or to the Ministry? (1807) A. No; that is my private post office box, 959 Tripoli.

"Q. Did he ever write to you at your home in Tripoli? A. No.

"Q. Did he ever write to your office at the Ministry in Tripoli? A. No.

"Q. In your correspondence with Mr. Galic, did he ever discuss with you or you with him any other business enterprise except Occidental? A. We normally talk about the first topic, which is the Occidental affair, how it is going and how it is not going, and so on. Then the situation in Libya will be our next, the Prime Minister; 'What's this about Ogbi? How is he going? How is he keeping?' and a few jokes about people we know, and, of course, he tells me about the outside world.

"Q. But you did not discuss any other business affairs? A. No. Business letters are different. This is what they call friendly papers, where you can make even funny drawings and joke about people.

"Q. You told us yesterday, at the end of your (1808) testimony, about the King. Is it a fact, to your knowl-

edge, that the King denied having given any preliminary view of this matter officially, and issued a statement to that effect? A. There is the King involved here. There is the King in between. Our King is sacred person, so we must be very careful.

"Q. I treat it so. Would you please read that question back to him? That is the reason I am putting this question.

"(The reporter read the question)

"A. The statement was done on rumors collected in town—when you say 'Palace', not the King; maybe his secretary, maybe a connected person, maybe his son, and so on—denying that the Palace have any preference or have done anything to be construed that it is in support of any company; something like this.

"Q. You are familiar with that? A. I did not read it, because I knew it was coming out in this sense, so I was advised 'We will put this, just to stop talk'.

"Q. So far as you know, that statement was true, was it not? A. In the form of the event itself? It took place.

(1809) "Q. The statement that took place was true, so far as you know? A. Yes, it took place."

* * *

"Mr. Nizer: Q. Let me put it in terms you understand. When, for the first time, did you learn that there was a controversy between Allen & Company and Occidental? A. Exactly when Dr. Hammer called on me.

"Q. And that was the first time that you heard anything about it. When was that date? Did you give it to us? A. Yes. I said immediately after I left the office, that means somewhere in April 1967, and it definitely must be before the 17th because I remember I left the country afterwards. Somewhere about the end of April

I left the country. So it couldn't be after that because I stayed much time away.

(1810) "Q. What year, please? A. 1967."

• • •

(1811) "Q. Where did the full Council of Ministers meet to review the recommendations of the nine committee men? A. Where?

"Q. Where? A. Sometimes in Beida, sometimes in Tripoli. Some of them I remember, some I do not. Which one are you interested in?

"Q. Well, before they held the meeting which decided on the concessions— A. The final one.

"Q. The final one—where were those meetings held? A. Mainly in Beida.

"Q. And over what period of time did they meet before they made their final announcement? A. I can only say a little before we changed the law and immediately after. It means they were before the changing of the law and then the whole business was stopped because of the changing of the law. Then we kept on studying the amendment of the law. Then after January we resumed it.

"Q. So that they were in session considering the (1812) recommendations of the High Council from about January 1966? A. No. I will make it clearer.

"Q. Yes. A. If you remember, the amendment of the law came round in November 1965.

"Q. Yes. A. So a little before that we have been only working on these amendments. Then I signed the decree on a certain date in November and we gave the company two months, and the deadline I well remember was the 26th January. The following year would be 1966. In that bracket no concession matter has been discussed. As soon as we received the approval of the oil company of the law and we made the new list of the companies, we started studying, resumed our old work.

"Q. And those meetings took place in Beida from about January 1966 right through and they made their decision in February 1966? A. Yes. In fact the Council moved a little time before we had that meeting.

"Q. At the same time that the Council of Ministers was meeting in Beida, the High Council of nine was also meeting at Beida, was it not? (1813) A. Not the same days, because we used the same room.

"Q. Over the same period of time? A. Yes.

"Q. In other words, between the time—I think you have now specified it—January 1966 to about February 20th, the meeting of the High Council of Ministers was meeting on and off at the same period in Beida with the Council of Ministers? A. Yes.

"Q. You attended, I suppose, the meetings both of the High Council of nine and the Council of Ministers? A. Because I was the Chairman of the one and a member and also, as I said, the opponent of the whole Council of nine. So I had to be there to fight my point. It was necessary.

"Q. And you were continuously, then, during that period of January 1966 to February 20th, 1966? A. Yes."

* * *

(1814) "Q. Did your office have a typewriter which could type in English as well as in Arabic? A. Of course."

* * *

"Q. Now, as Minister of Petroleum Affairs, did you have a secretary? A. It depends on what type of secretary you mean. I had a secretary who receives calls, telephone calls, and a secretary who does (what do you call it?) real work.

"Q. Typing? A. And I have a secretary who does the High Petroleum Council's work.

"Q. In other words, you had about three different people who worked under you in this matter? A. One

important one, which is the secretary by appointment of the High Petroleum, which I mentioned, Mr. Hangari. (1815) "Q. Who was the person who did the typing if you sent any communications? Did you have a secretary? A. If it is routine work, my secretary, in Arabic. If it is in English, I do it myself. Sometimes we make half and half, so he prepares half and I do the other half. I didn't have an English secretary, by the way.

"Q. You did not have? A. No, never had."

Mr. Nizer: Now I continue on to where I propose to read, page 244:

"Q. Did your office have a typewriter which could type in English as well as Arabic? A. Of course.

"Q. And how many of those did you have in 1966? A. In Beida I had only one myself. I can't say how many we had in Tripoli. Every office had these Arabic and English.

"Q. You would have many there? A. Yes.

"Q. But you have no idea about how many? A. I can't say. We had four floors of offices. Some of them I never visited.

"Q. In the secretary's office who did your routine work, how many English typewriters did you have there? (1816) A. I had one in the office and one at home.

"Q. Now the one in the office—was that a portable typewriter or a regular typewriter? A. No. The one in the office, it is in the office because it is a wide one with a wide—it is heavy, while the other one is portable.

"Q. The one in your house—what was the make of the one in your home? Would you know? A. Normally, without even having to remember, all the Government types are Olivetti.

"Q. And the one at your home was a portable Olivetti? A. An Olivetti, though I have other makes in my various homes, because I have a home in Tripoli, and I stay in Benghazi sometimes.

"Q. In Tripoli, did you have a typewriter there too? A. Yes. I had a Hermes, I had another make, I had another Olivetti; various types.

"Q. Were they English typing machines? A. Normally some of them, those that were my property, they are what are normally called French. It means they can write all types of literature.

"Q. So they can write English as well? A. Yes. While in Government, there are a few English. We have mainly English type, where you don't have the (1817) accent, you know, on the letters and so on.

"Q. Did you ever hear of a German manufactured machine called Ransmayer & Rodian? A. I know very few makes.

"Q. Or Elite Schrifft? You have never heard of that? A. I don't know. I know few typing machines. Is it Eastwood? I know some makes, anyhow, American or English or German.

"Q. Do you know the Royal? A. Royal, yes, I have heard of it.

"Q. But you didn't use that? A. No.

"Q. Do you know the IBM? A. Yes, I know it. That is an electric one.

"Q. But you never used that? A. No.

"Q. A Remington? You never used that? A. I know a Remington, yes. I have it in my business, in other offices which I had.

"Q. But not in your— A. Not in my home.

"Q. Now this letter of February 16th, marked K-2 (P-158)—I will take that, please. A. No. He wants to ask me which machine. I (1818) don't remember which machine.

"Q. I ask you: Where was this letter typed? A. This is definitely in Tripoli.

"Q. In your office or in your home? A. This I can't remember.

"Q. Would it be in one of those two places? A. In my office. If it is confidenial I do it outside hours when the people are not there. If it is a confidential letter I make it where the people are not there; otherwise I take it home, you know, take all my stuff and do it. So I don't remember where I did it.

"Q. But it would be either at your home or at your office? A. Of course.

"Q. And no other place? A. No other place. There? A cafe?

"Q. And you personally type it? A. Yes.

"Q. You are sure of that? A. Otherwise everybody would have known it before I sent it. You know, in Libya we don't conceal anything to each other. Actually, I destroyed even the carbon.

"Q. You destroyed it? A. Even the carbon which I used, because they read (1819) through carbon, you know, people, if they find it.

"Q. You considered this letter P.K-2 (P-158) so secret and confidential that you didn't even want a carbon around; is that right? A. Of course, because of its interest vis-a-vis the whole firm."

* * *

"Q. So that you would say, then, in view of what you have just told me, that whether this letter P.K-2 (P-158) was typed on your machine in your home or in your office— A. Or in the office. That depends on the situation.

"Q. On the situation—it was typed on an Olivetti machine? A. This is a probability, because most machines are Olivetti.

"Q. If it was at your home you told us it would have been a portable Olivetti? A. Portable Olivetti? I said I had various portables, not less than three at certain times. One is Olivetti definitely, and this is not the characters of the Olivetti (1820) which I have.

"Q. In your portable? A. Portable, which I still have. It might be another one which I disposed of.

"Q. In your home? A. Yes.

"Q. You had in 1956, in addition to the portable Olivetti, another typewriter in your home? A. I have my own one and I had two which came to me either because somebody left them with me or just because I had to have it for instance while traveling. So I found myself like the suitcases, you know; you find a pile of suitcases in your house; because if I am writing I take it away with me all the time.

"Q. Were the other two typewriters portables? A. Yes, portables, but rather bulky, you know, heavier than the Olivetti.

"Q. All three were portables? A. Portable. One is the one which I prefer, which is the Olivetti portable with very thick characters; another one was maybe a Swedish or something; it is a European make.

"Q. Not Olivetti? A. Not Olivetti; and I had another Olivetti (1821) which is portable but very big, which I disposed of.

"Q. Now of these three machines one machine was disposed of? A. Two of them were disposed of.

"Q. When were they disposed of? A. In the course of 1966 and 1967.

"Q. To whom did you give those? A. One I gave to my daughter, and, of course, it stayed always in Tripoli; I didn't take it with me; and another one was taken by a friend who borrowed it and never brought it back, like other things.

(1822) "Q. You know the definition of a rare book, it is a book that is borrowed and never returned. A. Exactly the same thing.

"Q. What was the name of the friend that you gave it to and never returned it? A. The name is Fabbri.

"Q. Where does he live? A. In Italy, I suppose.

"Q. In Italy? A. Yes.

"Q. He was not at Tripoli? A. He took it from me and he took it home, maybe.

"Q. To Italy? A. Yes.

"Q. And you never asked him for it? A. Well, it is silly to ask him for an old typewriter, you know, which was very bulky. I said okay. It maybe cost more to go and find him and ask him about the typewriter.

"Q. This friend Fabbri, how long had you know him before you gave him the typewriter? A. Not much long time. He has been around, you know. He knew other people and he wanted to do some work and I gave him this typewriter.

(1823) "Q. Do you know where he lives in Italy? A. Not now.

"Q. Have you ever seen him since? A. No. I have at home."

> I propose to go from there to 253, in other words, from the bottom of 251 to 253, and at 253, I intend to ask the first question at the top of the page.

"Q. Both of these typewriters that were disposed of by you, what makes were they, have I asked you that? A. I said one was Olivetti, and the other one, I don't remember. It is a European make, which I have to see.

"Q. Are you sufficiently familiar by practice to be able to look at this photostat, K-2 (P158) and tell us on what typewriter this was done? A. No. Definitely it is not on my Olivetti with the thick letters which are French.

"Q. Which is the portable in your home? A. Yes, but it looks like any other standard Olivetti, after a certain size they put those letters, but otherwise they use these small Grassetto.

"Q. Would you, by looking at this letter, be able to tell whether it had the characteristics of any machine (1824) in your office at that time? A. I think so, yes. But as I said, maybe also the one which—I have at home.

"Q. That would be the Olivetti in your office? A. Yes.

"Q. Now, did you ever take a portable typewriter with you to Rome? A. Very often. I broke it and they adjusted it for me. It is normal. But I only bring that Olivetti which I said. It is a very popular-type of Olivetti. It is the thinnest one.

"Q. The one that you had in your home, the portable? A. Yes."

* * *

(1825) "Q. But not the thick one? A. The one you can take with you.

"Q. Yes, but not the thick one, the thin one?"

Mr. VanVoorhis: That is as far as we wanted.

Mr. Nizer: I might as well read on.

"Q. Yes, but not the thick one, the thin one? A. No, the thin one. I used to have a Hermes—that is a Swiss one, which is the thinnest—but, of course, it was too narrow and I changed it to an Olivetti."

* * *

"Q. Now the typewriter in your office, the Olivetti that you believe or your best feeling is that this PK2 (P158) of February 16, 1966, was probably typed on that —you haven't said you are sure, but it seems that way to you? A. Yes.

"Q. Would you make that available to us for an inspection? A. Which one? The Government? I am no longer in the Government.

"Q. You are no longer in the office? A. No. I might give you my typewriter so that I buy another one. It has been my custom.

"Q. Was anyone present when PK2 (P158) was typed? (1826) A. It couldn't be, no. This is for definite.

"Q. Did Galic request you to send such a letter as PK2 (P158) or did you do this on your own? A. No, I

did it on my own. From its content, you know it is my interest to have this recorded.

"Q. How PK2 (P158) is typed on a certain letterhead. Take a look at it. Counsel has just shown it to you. A. This is my letter, yes.

"Q. Where did you obtain that letterhead? In your office? A. Because I was in office.

"Q. And this was the official letterhead of the Ministry of Petroleum of Libya, is that right? A. Yes. For the Minister.

"Q. For the Ministry. A. Minister. It means they have no other department in

"Q. I see. In February the Minister of Petroleum have any stationer t from that on which PK2 (P158) was typed? A. It is exactly the same, but sometimes we have a special department. After these headings they put the department for reference. This is a general paper.

"Q. And this one that has special departments, those (1827) would be printed words on it, wouldn't it? A. Yes. It would have 'Kingdom of Libya. Ministry of Petroleum,' say for instance 'Finance Department,' or something like this. This is the stationery which is always available, I mean general stock.

"Q. Did you have any of that stock in your home? A. No, unless I have to write a letter at home. Of course, I take with me the copies I need.

"Q. So if you had to type a letter at home you would take some stationery with you or did you have a little supply in your home for any purpose? A. I can't keep that, it is not safe to keep a stock. I take what is necessary if I want to make one copy, two copies. I take, you know, one blank, one headed, and so on. It is normal for all responsible people, they don't take stock home.

"Q. How many carbon copies did you make of PK2 (P158) the February 16, 1966 letter? A. You mean annexed to this?

"Q. Yes, carbons. A. Only one.

"Q. And that was the one you said you destroyed immediately? A. I destroyed the carbon.

(1828) "Q. Yes. A. Yes, and the other one was in a special file which I kept.

"Q. In your home? A. No, in the office.

"Q. What is the other one? I thought you said you made only one. A. I destroyed the carbon so they can't read it.

"Q. But the copy you didn't destroy? A. No, because how can I have a reference afterwards?

"Q. Was that carbon copy then put in the official file of the Ministry? A. Not official, special file, which is a file which is handed from one person to the other. Nobody can have a look at it.

"Q. Is that document still in the records of the Ministry of Petroleum? A. It is up to the Minister. It is something which I give him for his own guidance. It is up to him. If he thinks it is no value he might burn it.

"Q. Have you ever stated that you never put this in the file of the Ministry? A. Ever stated?

(1829) "Q. Yes. Did you ever say that you had never put this in the file of the Ministry? A. No, never, because it is written here.

"Q. What is written there? A. It says 'Special file.' I kept it on purpose.

"Q. And that is an official file of the Ministry? A. You must distinguish between official. Official is the one which goes in the hands of everybody.

"Q. Yes, and special is a file— A. Special, I keep the secret of the Government, and at my, what you call it, discretion, if I think it is anything interesting or important I hand it to the next person.

"Q. Did you give the carbon copy of PK2 (P158) to the succeeding Minister? A. No. He didn't appear personally. I had to give it to the Under Secretary.

"Q. Did you personally give it to the Under Secretary? A. Yes.

"Q. When? A. As soon as I left the Government. It was a few days after the 4th April. It leaves me time to pick up my things, go to Beida, fetch my books and— (1830) "Q. And you gave him a whole folder with letters or just this one? A. I gave him a lot of things, piles of—

"Q. And they were all marked, 'Special file'? A. Some of them were, what do you call it, circulating papers, memoranda, confidential letters, reports—you know, literature by various oil companies. I had drawers full. Files about personnel, you know.

"Q. What was the name of the Under Secretary to whom you gave this? A. That was Awad Tarbah.

"Q. How long had he been in the Ministry? A. He has been for not less than three, maybe four years. That means he was there before I arrived, and he was there after I left. Maybe four years.

"Q. And is he still there? A. No, they moved him.

"Q. Where is he now? A. Somewhere in the Government, maybe in the Personnel Department.

"Q. Did you personally deliver the file which contained a carbon copy of PK2 (P158) to him? A. Yes, with other things, asking him under promise (1831) with other keys and confidential things to hand them to the next Minister, because he didn't appear, you know. He didn't like to come and take over.

"Q. But did you examine the file at the time you gave it to him, or did you just pick up— A. No, I only told him, 'This is rubbish, this is for instance, past reports by past predecessors, this is the special file, this is the personnel, this is miscellaneous, and so on.' We have various things.

"Q. When was the last time that you saw the carbon copy of PK2 (P158)? A. The last time? You know,

just on purpose I haven't seen it directly. I didn't go through it because I didn't have any reason.

"Q. I am saying, when was the last time that you saw the carbon copy?"

Continuing on Page 260.

"A. I can't say. From the day I put it there I didn't go back to it.

"Q. Did you put it there personally or did your secretary put it there? A. No, myself. It is in a special file, nobody would touch it. It is under key, you know, so nobody touch it, and I put whatever I like there because we had things (1832) which we had to destroy when we go out.

"Q. Is Awad Tarbah in any way related to you? A. No. He is a Cyrensican, even from another region.

"Q. Did you ever make any photostat copies of PK2 (P158)? A. No.

"Q. Have you ever stated to anyone that you removed this carbon copy from the file and took it home? A. No. Nobody asked me to make that statement.

"Q. Was a copy of PK2 (P158)—that is that letter of February 16th—shown to the High Petroleum Council, the 9-man committee? A. No, at that time the Petroleum Council has finished.

"Q. Was a copy of P159 ever shown to any member of the High Petroleum Council? A. What is D-9?

"Q. The letter. A. No, nobody knew about it.

"Q. Was a copy of D9 (P159) ever sent to or shown to the full Council of Ministers? A. No, there was no reason."

Continuing to 261.

(1833) "Q. Or to the Prime Minister? A. No.

"Q. Was a copy of PK2 sent by— A. Excuse me. Sometimes you say PK2, sometimes D9, what is D9?

"Q. D9 is the original number. It is the same letter. A. I see. You are talking about the letter.

"Q. That is right. I didn't mean to— A. No, that's Okay.

"Q. It has two numbers. Was a copy of D9, which is really PK2, sent by you to the authorized representative of Occidental in Tripoli? A. I wasn't supposed to send him this type of information.

"Q. So the answer is you did not? A. No.

"Q. Was a copy of PK2 (P158) sent by you to Allen & Company at any time? A. No. Mr. Nizer, why don't you go by logic? I said there is only one copy of this, I mean carbon copy, not any other copy.

"Q. Well, shown. When I say 'a copy', did you (1834) ever show it to anyone? A. No.

"Q. Did Galic ever reply to PK2 (P158)? A. Not in writing.

"Q. Or by cable? A. No. Just after we met he told me.

"Q. Did Galic receive PK2 (P158) through the mail or— A. Through the mail, yes.

"Q. Where was it mailed from? A. It was mailed in the Central Office of Tripoli.

"Q. And on the date that it bears? A. Yes, exactly.

"Q. And you typed it that same day, I take it? A. That is it, yes.

"Q. Do you remember what hour of the day you typed it, or don't you? A. Normally I type my private things in certain hours which are mostly afternoon.

"Q. Did the Libyan Petroleum Law to your knowledge provide for the posting of a security bond for each concession awarded to an applicant? A. No. What is security bond?

(1835) "Q. Financial security, a guarantee bond. A. Yes. When the concession is adjudicated before signing they should have a guarantee bond.

"Q. A security bond. Was the applicant required to file that prior to signing the concession contract? A. He had to bring it with him and show it to the legal and financial people.

"Q. Before the contract was signed, right? And before the concession contracts were signed with Occidental, did Occidental post a bond for each concession awarded to it? A. Yes, they did, and then they were introduced for signature.

"Q. And was the amount fixed at 50,000 pounds for each concession? A. Yes, for each block.

"Q. And were the bonds filed by Allen & Company on behalf of Occidental? A. I haven't seen the bond. They took it to—maybe Mr. Vaughan will remember who—showed it to Mustafa Kemal, I think. There were two people who saw to these things. They drafted the contract, they received the people, they discussed it, finalized and brought them to me. (1836) They don't bring the bonds to me. It is an administrative matter. Mustafa Kemal is my legal adviser at that time, and he managed all the work. I had only to make a small scratch on finishing.

"Q. Do you know whether the bonds, each for 50,000 pounds, filed by Occidental were sent addressed to you with a copy to Kemal? Do you know that or don't you? A. No, I don't know. I suppose they bring it by hand to the Ministry.

"Q. Did you ever tell Galic that the bonds had been filed by Occidental through a bank other than Allen & Company? A. I haven't seen them.

"Q. Were you interested at that time in finding out whether the Allen & Company were financing this matter by supplying the bonds or whether the bonds were provided by different banking financial houses? A. I wasn't interested in these terms, anyhow.

"Q. You weren't? A. I said 'in these terms'.

"Q. I understand. Do you know a man by the name Aldo Lucia? A. Aldo Lucia? It is an old Greek—Lucia is somebody who used to know my brother-in-law, and DeRovin, he is another crook.

(1837) "Q. Another what? A. Another crook.

"Q. Was he an employee of Ogbi's? A. Maybe. I only heard about him from my brother-in-law and DeRovin. Lucia—I thought it was a lady.

"Q. What did DeRovin tell you about Lucia? A. I heard this name Lucia. I thought they were talking about a lady, which means Lucy in Italy.

"Q. What did he tell you about Lucia's character, anything? A. No. I only asked one who was that man with the hooked nose, and so on, and he said it is Lucia. So I knew it was a man which he was talking about.

"Q. Did you ever see Galic in the presence of Lucia? A. I don't remember, because my meetings with Galic are very, very restricted."

* * *

(1838) "Q. Mr. Kabazi, you, as the Minister of Petroleum, had promulgated the standards for oil concessions in Libya which were followed in 1966; is that right? A. The standards?

"Q. Yes. A. I wouldn't say 'standards'. Why do you say 'standards'?

"Q. The policies. A. Policies, of course, yes, something which might not even put under law form, but I signed the last amendment of the law. That is what you mean.

"Q. More than that; that you were really responsible for the successful policies of how— A. This is my pride.

"Q. This is what I am referring to. These policies worked very well in the best interests of Libya, didn't they? A. Yes, definitely.

Faud Kabazi, E.B.T.

"Q. It was also you who formulated the list of preferences to be included in the bids? A. Well, they went under my name. Of course, many other people have contributed

(1839) "Q. And it was your view that the projects for the good of the country were more important than mere cash bonuses; is that correct? A. Yes.

"Q. Now, what were the advantages to the Government of Libya of sealed bids rather than negotiations? A. The advantages?

"Q. Yes. A. You can't speak in terms of—of course, this is not an answer to which I can say Yes or No. I have to comment.

"Q. No, that's all right. A. For the benefit of the—

"Q. Of the country. A. —of the people here, the old law permitted negotiations and who was first arriving was first served, you know, like in the shops, provided somebody doesn't overrule the other one by offering better conditions. This led to a lot of suspicions in the country, and the King has decided that something should be done to prevent this, and I was one of the people who introduced the question of tendering like any other contract.

"Q. By sealed bids? A. By sealed bids, yes. That was in 1961, between (1840) 1961 and 1962.

"Q. And the reason that you were for that and followed that policy was to ensure that concessions would be granted on their merits; isn't that so? A. Of course, yes.

"Q. In evaluating the bids you, as the Oil Minister, considered only the merits of the application in the light of the best interests of Libya; isn't that so? A. Yes, of course.

"Q. And you would not permit any personal intervention of any kind to interfere with your honest judgment of what was best for the Government of Libya? A. If this means to do things contrary to what I wanted to do.

"Q. That is right. A. Of course not.

"Q. I think you told us that Ogbi was a member of the committee of nine? A. No, I didn't say this. I might have said that Ogbi has been one time, one meeting or more than one meeting present in the committee acting for another Minister, but I don't think I have said it. I said only that he was a member of the Cabinet at a certain time, and that is exactly after the opening of the bids. He has been nominated (1841) Minister.

"Q. But did he vote at any time on the committee of nine? A. The committee of nine when Mr. Ogbi was there, there wasn't any voting about a particular case."

* * *

Mr. VanVoorhis: Mr. Nizer, most of what you are omitting we are agreeable to. On page 269, however, we would like read from where you stopped reading to the bottom of the page and on page 271 we would like the second question from the end of the page and the answer.

Mr. Groman: The second question from the top or the bottom?

Mr. VanVoorhis: Bottom.

Mr. Nizer: Now, I may say to his Honor and to you that what I was going to omit is, I think, important on the credibility of the witness who, as you see, gets (1842) into a quarrel with me and with the commissioner, threatens me and so on.

I was going to omit all of that but if you are going to read—

Mr. VanVoorhis: No. We don't want all of that.

Mr. Nizer: But if you are going to read some of if, I propose, since it affects his credibility on some of these things, to read all of it. I wanted to skip it all but I don't want to have a selective reading of somethings which go to his credibility and not read the rest of it.

Mr. VanVoorhis: I don't see what that has to do with the request that we make for the reading of small portions. It affects the credibility, it affects it all along the line and it hasn't any particular relation to this.

Mr. Nizer: Well, it's been offered by you and we consented and I was going to eliminate it, but I won't read sections of it.

All right. I will read yours and I will continue reading.

The Court: Go ahead.

Mr. VanVoorhis: There are 19 pages there and we are quite agreeable to omitting about 18 of them.

(1843) The Court: Another 18 wouldn't make that much difference in this case.

* * *

"Q. Did he favour the concessions of Occidental? A. No, nobody favoured the concessions of Occidental, I am afraid.

"Q. Did he, was my question. A. No, he didn't. Nobody was allowed to speak, actually, favouring or not favouring. We were all talking in terms of principles.

"Q. In the principle of the matter was he in favour, on the merits as we were talking, of the applications for the concessions which were finally granted? A. He was in favour of my principle that we should give to independents.

"Q. And Occidental was an independent? A. Yes.

"Q. You referred in your testimony to the fact that Galic had said what many others from Occidental, many (1844) other people in Occidental, were saying about Signal Oil & Gas Company. A. No, I didn't say this. What I could have said is that Galic has always expressed the opinion that besides the financial liability Occidental

could market the oil. In fact I didn't mention officially Signal in any of my writings or statements.

"Q. So that you tell me now that Galic never mentioned Signal Oil & Gas Company at all? A. We talked always in terms of marketing of the oil, and having read the letter of Signal I found and I, what do you call it, considered it as a promise tied to a 'would' and 'should', which in English they tell me is something improbable, or might be probable, might be not. It is not trying (what do you call it?)—you say not committing, a promise . . .?

"Mr. Greenspoon: Firm commitment.

"A. It is not a firm commitment. In other words—

"Mr. Nizer: My question is—I don't mean to interrupt you, Mr. Kabazi—

"A. No. I just want to link the name of Galic with Signal.

"Q. All right. A. Because dates and numbers I don't like too much (1845) because you never remember when you mentioned the name or figure.

"Q. Then you gave me the answer. A. I tell you exactly the reality and the concept on which Mr. Galic's work was based.

"Q. No, I would like to ask this question, and then I think perhaps you can answer it directly. A. Yes.

"Q. Do you say that before you received any letter in the application form involving Signal which is attached to the application, as you have just mentioned, that Galic never mentioned the Signal Gas & Oil Company to you as one of the outlets for marketing that Occidental would have? A. I wouldn't give a negative answer to this, because he might have and I didn't register. So we only spoke about disposal of oil; but my impression was that Mr. Galic was so sure that he could do it, whatever is the way, either Signal or somebody else, meaning they are capable of disposing of the oil.

"Q. I am asking—I think you are answering it in a general way, but I— A. Yes, but I am very careful about this. You noticed we are five days now here. I don't want to be tied (1846) by numbers, dates and names, please, because my memory of that is not very very—

"Q. You tell me if your memory doesn't enable you to answer it. A. I don't remember Galic mentioning particularly Signal.

"Q. Mr. Kabazi, that is what I am asking you. I am not asking you to give an answer one way or the other. I want— A. No, because for me, no. It has a value, an absolute value. I can say I don't remember Galic mentioning Signal. He might have; I don't know. I want to easy the thing; but I have my own ways of dealing with things for trifles as important things, while in my life I never gave importance to trifles. So I didn't bother whether he mentioned Signal or Avia or Shell or Esso or B.P. I only knew that I was interested in principles. I wanted the oil to be lifted because I had to win a victory on major oil companies.

"Q. Now wanting the oil to be lifted, my question is a very simple one, and you answer it in the best way with the truth— A. My best way is that I don't remember Mr. Galic mentioning Signal in particular, if that is enough for you.

(1847) "Q. At any time? A. At any time, yes.

"Q. Did any other person in Occidental mention Signal Oil & Gas Company to you at any time before July 1965? A. I still don't remember this.

"Q. The first time, then, as I understand you, to the best of your recollection that you heard the actual name of Signal in connection with Occidental was when the application contained that letter which we have referred to? A. This I can answer: Yes, without, you know, denying that it might have been before. I say 'Yes' because it is sure; it is there in the papers.

"Q. I know it is there in the papers. Perhaps I haven't made myself clear. I say: Your best recollection is that the first time you heard of the Signal Oil Company was when the letter was— A. It is an absolute question. I don't want to answer with an absolute answer. If you accept mine. I intended to say 'Yes' because it is on record. It might have been, because I took an oath, you know, and sometimes even if you have a suspicion that something might have happened you have to say it. You know, I am living among the oil business. I might have heard of Signal and other names and brands a hundred times. You don't imagine what (1848) is the work of a Minister, while I imagine what is the work of a lawyer and what the lawyer intends to get out of a witness or from a criminal. So, please, I am very, very aware of how lawyers act, and don't put me in that state of mind as before to prevent me from answering Yes or No. If you make it in a way that I can answer Yes or No, O.K. But take away from your mind any date or name or trifles which don't interest my own case or my own role in this whole affair.

"Q. I believe you can answer this question Yes or No— A. It depends on how you put it, because I am not very easy—

"Mr. Greenspoon: Let him go on, Mr. Kabazi.

"A. Somebody can get killed, you know, by an answer.

"Mr. Greenspoon: Let him go on.

"A. Anyhow, it will reach a time when I will be negative because of the oath.

"Mr. Greenspoon: Let him go on.

"A. When I know that there is a suspicion I don't say No.

"Mr. Greenspoon: Let him go on.

"A. O.K. It's up to you. Mr. Consul, I express my view, because I want to explain why I am reacting in a certain manner.

* * *

(1849) "Mr. Nizer: I hope that you can answer this question Yes or No, but if you can't, then answer it in the best way with your conscience.

"A. That's good.

"Q. I am trying to get a simple answer— A. I am wasting time. I have to arrange all my business, you know—

"Mr. Greenspoon: Mr. Kabazi, please; let him go on. We will never get out of here, otherwise.

"A. Nobody had a chance, you know, to treat me like this in my life. I had 24 years of political experience.

"Mr. Greenspoon: No, please; let him go on.

"A. You make your question, and from now on I answer as you say according to my conscience.

"Mr. Nizer: As I understand your answer—and (1850) I am asking a simple question—did you hear of Signal Oil Company mentioned in connection with Occidental for utilizing the production—

"A. No. At any time?

"Q. I haven't finished; please. Excuse me. At any time prior to the time that you read the letter in the application of Occidental. A. I don't remember. I have already said that.

"Mr. Greenspoon: Objected to as already asked and answered three times.

"A. I have already answered.

"Mr. Nizer: Did Mr. Galic ever tell you that there was a written contract in which Allen & Company was obligated to finance Occidental?

"A. He said that he confirmed—

"Q. Can you answer Yes or No to that?

"Mr Greenspoon: Will you please, Mr. Nizer, allow the witness to finish?

"A. You put the word 'written'. I don't remember written. He said 'Allen is financing', because the people came and spoke to me with Mr. Galic about Allen. Then I got my information that Allen is really a very good, maybe the best backing which we had.

"Mr. Nizer: Mr. Kabazi—

(1851) "A. Take away the word 'written'.

"Q. No. You answer to 'written' 'No', and then I will ask other questions. A. O.K. Not written.

"Q. If that is the answer, then please give it to me. I am not quarrelling with you; you are really fighting with me. A. If you inject something, you spoil the whole question.

"Mr. Greenspoon: No, Mr. Kabazi.

"Mr. Nizer: The answer may be 'No', but you have to answer it, please.

"A. Yes, but if I say 'No', you take it for the whole question I don't accept it. I have a selective mind, Mr. Nizer.

"Mr. Greenspoon: No, Mr. Kabazi.

"A. If you take away 'written', I say 'Yes'. If you put 'written', I say 'No'.

"Mr. Greenspoon: That's the answer.

"A. I know how to answer. I have answered much more difficult things.

"Mr. Nizer: Did he ever tell you that Allen & Company had committed a specific sum of money to back Occidental?

(1851a) "A. Of course."

* * *

(1853) September 26, 1973,
10 A. M.

* * *

"Q. Maybe? Can you answer that more directly, please? A. I don't remember. I know the commitment and I know—

"Q. No, please listen to my question and answer it. I am not quarrelling with you; you are with me. I am not, Mr. Kabazi. You can answer my question— A. Mr. Nizer, I am in the frame of mind of quarrelling with everybody, not only yourself who does not follow with me my own way at least which has been always very straight-forward, and there are people here who know me in Libya.

"Mr. Greenspoon: Mr. Kabazi, let him go on or we will never get done.

"A. They know me. I am not just the last arrival in the scene.

"The Commissioner: Mr. Kabazi, may we continue?

"A. Mr. Consul, look: I don't know whether I have the liberty to withdraw, but I have the patience to withstand (1854) any ordeal provided it is useful to anybody; but I don't want to be myself the man who has been ridden and used as an instrument.

"The Commissioner: All you have to do is answer the questions—

"A. I can't. The questions are made in a particular way. I know how they make them.

"The Commissioner: Just answer the questions to the best of your ability.

"Mr. Greenspoon: Mr. Nizer, will you continue, please?

"A. You can argue until tomorrow. I have to put up everything and I am ready still to stay, but I have to work my own way, I had it with 19 people.

"Mr. Greenspoon: Let him go on, Mr. Kabazi, because we want to get done.

"A. I am very proud of my own work and standard and ethics and reason, because I proved it and it gave me results.

* * *

"Mr. Nizer: My question is:

"Q. Did Mr. Galic ever mention any amount, whether you remember it or not now, did he ever mention an amount of money which Allen & Company had obligated itself to back Occidental? A. I don't remember.

* * *

(1855) "Mr. Nizer:

"Q. Would that be important to you as to the amount of financing which you claim you understood? Would that be important to you—Yes or No? A. The amount?

"Q. Yes. A. It would be important, of course.

"Q. And yet you don't remember that he mentioned it? A. I don't remember the figure because there was no figure made at that stage. All figures were—what do you call it?—provisional figures. There is no estimates, no program of work. I am working on, what do you call it, technical grounds. At that stage there were no estimates how much money was going to be spent, and we said that in order to be able to do something before finding oil it would need 50,000,000 or 80,000,000. Didn't we say that.

"Q. Was a figure given— A. And definitely I didn't ask about the figure, because I knew in advance that Allen could raise any figure. So I slept between two pillows, as they say in Italian—'A due cuscini'.

"Q. You said at that stage Galic didn't mention a figure of obligation by Allen & Company. Did he mention a figure at any other stage? (1856) A. No, I don't remember figures.

"Q. Do you mean that a figure was mentioned and you don't remember it, or that you don't remember he mentioned a figure?

"Mr. Greenspoon: Objected to as to form and substance.

"A. It is a complete blank whether we spoke about or we mentioned figures, but we only mentioned about soundness and complete back-up, you know; unlimited possibilities.

"Mr. Nizer: But no amount was mentioned so far as you can recall?

"Mr. Greenspoon: Mr. Nizer—

"A. You can't oblige me to say No or Yes in this connection.

"Mr. Nizer, I refuse. I don't answer any longer to this question or this type of question. You bring me round the bush, as they say. I refuse.

"Mr. Greenspoon: Mr. Consul, this question has been asked and answered six times—

"A. It has taken me round the bush. I don't know how to say Yes or No. I won't say it.

* * *

(1857) "The Commissioner: I call an adjournment.

"Mr. Greenspoon: The court's Order is that this will continue from day to day until completed without adjournments.

"The Commissioner: Gentlemen, I am the Commissioner on this hearing and I have just called an adjournment.

"Mr. Greenspoon: For how long?

"The Commissioner: Until I can get ready to reconvene this session.

"Mr. Greenspoon: No, Mr. Consul, you have no power.

"The Commissioner: I certainly do. This has now been—

"Mr. Nizer: Mr. Allen and Mr. Kabazi, please; leave the witness alone. He has gotten up from the table. I don't want conversations with you at this point.

"Mr. Greenspoon: How many times is this question going to be asked?

"The Commissioner: Mr. Greenspoon, we are trying to conduct an orderly session.

"Mr. Greenspoon: No, Mr. Nizer is not trying to conduct an orderly session, because how many times have you permitted him to ask the same question?

(1858) "The Commissioner: Mr. Greenspoon, please. I don't wish to argue with you.

"Mr. Greenspoon: You are always taking Mr. Nizer's side.

"The Commissioner: I am not taking—I am trying to conduct an impartial hearing; but when the hearing goes out of control it is my duty to—

"Mr. Greenspoon: It goes out of control because he continuously asks the same question.

"The Commissioner: Everbody involved in this hearing apparently has now gone out of control, and I wish to call a halt to the proceedings until we can all calm down so we can conduct an orderly proceeding.

"Mr. Greenspoon: I am absolutely calm; but, Mr. Cadeaux, it is your duty under this Order to say to Mr. Nizer 'You cannot ask the same question over and over and over again'.

"The Commissioner: Mr. Greenspoon, let me remind you of what the court Order says. The court Order says that if you have an objection you may register the objection and the trial judge will take it into consideration at the time when he considers—

"Mr. Greenspoon: It also says that no one shall harass the witness, and that means it is your duty to see (1859) that the witness is not harassed.

"The Commissioner: Mr. Greenspoon, it says that 'the witness shall be required to answer every question propounded by counsel, regardless of materiality or relevance'.

"Mr. Nizer: Mr. Adeaux, I think I should have the privilege of a brief statement on the record about this in view of Mr. Greenspoon's charges now, which even envelope your honor. I think you have conducted this—

"A. No, I am not answering. I am very jealous about my principles.

"Mr. Nizer: I think you have conducted this hearing with complete impartiality and objectivity, as the record shows, and the accusation against you is part of the complete out of hand temper and violent statement that seems to be coming from the other side of the table both by the witness and counsel. I also wish to point out that the record will show that on the matter of financing which was raised on direct examination I have a right to enquire into the matter, that I have not been repetitious, that the witness's fulminations about this matter extensively back and forth, making speeches,

not answering the matter, entitles me to press for a direct answer, and that there are, even when he makes these answers, (1860) ambiguities which I have a perfect right to pursue. I have done this with courtesy to the witness at all times, despite his discourtesy to me and despite discourtesy to the Consul.

"A. We will have a word about it outside the meeting, about courtesy.

"Mr. Nizer: Don't threaten me about outside the meeting, Mr. Witness. I feel, therefore, that you have been very modest with respect to this matter. I think there could have been far more strict admonitions to counsel, who keeps yelling 'harassment' every time I ask a question; every time something displeases him in a question he yells I am repetitious or harassing, and I think that the record shows that I have not wanted to make a record up to now, but in view of the unseemly statement made by counsel to you that you were favoring me and conducting this examination unfairly, I wish to record this.

"Mr. Greenspoon: All right. Let us go on with the deposition.

"The Commissioner: Just a moment, please, Mr. Greenspoon; I am the Commissioner. You are one of two counsel here. Now would you kindly sit down, please? I want to ask the witness a question myself.

(1861) "Mr. Greenspoon: Are you permitted to ask questions?

"The Commissioner: Yes, I am. I am trying to conduct this examination—

"Mr. Greenspoon: All right. You ask the witness questions.

"The Commissioner: Mr. Kabazi, are you prepared now to try to sit down calmly and attempt to answer the questions to the best of your capability, without—just try and answer the question, that's all?

"A. I try my best, Mr. Consul, but you notice that when I answer the question he makes it again and he puts it in a way that he invites me to say Yes or No, and I never answer Yes or No to anybody in the world before I know what the implications of it are.

"The Commissioner: Let me restate my position. I am trying to help you.

"A. All right. I wasn't expecting to go through all this.

"The Commissioner: When people lose their temper, you see, we can't conduct the proceedings or the hearing in a properly orderly manner. That is the reason I called the adjournment.

"A. Don't worry about my temper—

(1862) "The Commissioner: Have you calmed down to the point now when you feel you can answer questions?

"A. No; I mean when I am in a temper I answer better, you know.

"The Commissioner: Would you like to resume the witness chair?

"A. But I prefer to, as I said, debate things rather than answer Yes or No, because Yes and No are very—

"The Commissioner: This is not the place.

"A. Could you ask Mr. Nizer if he can put his question in a straightforward way?

"The Commissioner: I will ask Mr. Nizer to ask you questions in as simple and direct a manner as possible—

"A. Which I can answer Yes or No.

"The Commissioner: I can't phrase questions for the counsel.

"A. No.

"The Commissioner: I can only read to him the trial judge's statement here, that the witness is not to be harassed by any counsel, and I ask all counsel to refrain from hasassing the witness.

"A. "Harassing' in English—how is it defined?

"Mr. Greenspoon: Annoying.

"A. I am very annoyed from the phraseology of the (1863) questions themselves. So the harassment starts from there. He is using a very subtle and vicious way of putting questions, and I realize. I am very sensitive to these things.

"The Commissioner: Can you go back to the witness chair—

"A. I will go back to the witness chair if he will put me straightforward questions, and if I find I can't answer them Yes or No I will make lectures. I will continue. This is my—

"The Commissioner: This is the point, Mr. Kabazi. If you continue to make lectures—

"A. I know; it will be longer hearing, yes.

"The Commissioner: We will never conclude the hearing. We are trying to get to the truth—

"A. I can't do without it, if I am put in this position. Whenever I saw that the question was simple I answered yesterday and we done a lot, you know.

"The Commissioner: Do you feel that you are prepared to resume the witness chair?

"A. Of course.

"Mr. Greenspoon: Let's go back.

"A. I not lose my temper; I lose my sense of courtesy. That is where Mr. Nizer will be very offended.

"The Commissioner: That's recorded.

(1864) "Mr. Greenspoon: Let's go back. Next question.

"The Commissioner: Just a moment, please. Mr. Nizer, are you prepared to resume?

"Mr. Nizer: Yes. I have been at all times, Sir.

"The Commissioner: Would you mind resuming, then?

"Mr. Nizer: Yes.

"Q. Would you be good enough to read back my last question and the last answer? (The reporter read the last question and answer appearing at the foot of page 278). Do you recall the last question as it was just read? Do you recall the question without my restating it, the last question that was read by the stenographer? A. No, I don't recall it.

"Q. Would you be good enough to read that question again, and I will give you an opportunity to answer it Yes or No or any other thing you wish to say; that you don't remember, or anything else? A. I meant only that you have been taking me round the bush.

"Q. All right; and I want to tell you, Mr. Witness, that your expressions of opinion about this are improper from the viewpoint of a witness, and I have been standing for this kind of conduct and the court will determine it.

"Mr. Greenspoon: Mr. Cadeaux, a lawyer may not (1865) lecture the witness.

"A. That's why I asked you to have a discussion outside the meeting.

"The Commissioner: May we continue with the examination?

"Mr. Greenspoon: Will you read the last question, Mr. Reporter?

"Mr. Nizer: The only lecture being given here is by the witness to counsel, to the court and to everyone else. He misunderstands his function.

"Mr. Greenspoon: You understand yours too, Mr. Nizer.

"Mr. Nizer: I won't argue with you either because—

"Mr. Greenspoon: No. You will face a citation, don't worry. That I have already instructed the office to begin to draw. I may lose it, but it will be there.

"Mr. Nizer: Will you please read, after the stress of counsel has probably stimulated the witness, the last question, so the witness can answer it?

"A. Don't make an appreciation about my stimulation, my reflections, Mr. Nizer. Don't make it a personal question.

"Mr. Greenspoon: Mr. Kabazi, please.

"A. Look here, we are entering into a new field. (1866) You put me in front of a person here which I wouldn't allow in Libya to be in front of me.

"Mr. Greenspoon: Let's go on with the next question. Why don't you rephrase the question?

"A. It is good for Mr. Nizer didn't come when Occidental was starting to have business in Libya.

"Mr. Nizer: Will you please read the question to the witness? Is that last observation a threat, Mr. Kabazi?

"A. Not a threat.

"Mr. Greenspoon: Oh, no. Mr. Cadeaux, that is not a proper question.

"The Commissioner: It is recorded in the deposition.

"Mr. Nizer: It is the witness who is making the statement.

"Mr. Greenspoon: All right.

"The Commissioner: It will be considered by the trial judge.

* * *

(1867) "A. I don't recall it.

"Mr. Nizer: Did Galic ever tell you that even if concessions were awarded to Occidental, Allen & Company was not obligated to put up a single dollar? Did he tell you that?

"A. This is contrary to what I said before.

"Q. My question is—answer it Yes or No or any other way— A. No.

"Q. He never told you that? A. I understood that he would have said—can I make it in my own words?

"Q. No. Let me rephrase it so you will understand it. If you don't, tell me so and I will rephrase it again. A. The first question was whether he told me any figure, and I said I don't recall.

"Q. You don't recall any figure. Now— A. O.K. Now it is a new one. It is completely opposite to the previous one.

"Q. It is another question, that is right. My question is, so you will understand it again: Did Galic ever tell you—either he did or he didn't—so far as your recollection is concerned, that even if concessions (1868) were awarded to Occidental, Allen & Company was not obligated to put up a single dollar? A. No.

"Q. Did Galic ever send you a document or certificate concerning Allen & Company's financial backing of Occidental? A. I said the only thing I saw is the book.

"Q. The book being P. 74"—which is P-130—"the application—

"Mr. Greenspoon: P. 9.

"Mr. Nizer: Oh, you mean the book—

"A. From there, of course, I collected all my informations about Allen on my own.

"Q. The book that you say that you saw is what is exhibited— A. It is called 'Money, Money, Money', but I don't know—

"Mr. Greenspoon: K. 1.

"Mr. Nizer: P. K. 1. Except for P. K. 1, that book that you just pointed out, Galic never sent you any document or certificate concerning Allen & Company's financial backing of Occidental—Right?

"A. No.

"Q. I know you mean 'That is correct'. A. That is right. You mean in writing—documents?

(1869) "Mr. Greenspoon: Yes.

"A. No."

* * *

"Q. That is right; any time. After February 16th, 1966, did you ever ask Galic to send you any documents confirming Allen & Company's backing of Occidental? A. No.

"Q. Did you ever yourself or through any of your assistants draw a financial report on Allen & Company? A. No.

"Q. Did you ever ask Galic to do so? A. He has already told me all what I needed.

"Q. No. Did you ask him? A. I didn't ask him to do any writing.

"Mr. Greenspoon: He just said No, Mr. Nizer.

"A. I didn't ask him to do any writing. I said that I destroyed even what he sent me. We are not children. He (1870) doesn't understand the role of Mr. Galic. I didn't want to put him on record except in this case for a purpose.

"Mr. Nizer: After February 16th, 1966—after—you continued to correspond with Galic, didn't you? A. Yes.

"Q. And he with you? A. Of course.

"Q. I think you told us that was quite frequently; every fortnight? A. Frequently, and even we talked frequently whenever I was in Europe.

"Q. Have you the originals of the letters which he sent you after February 16th, 1966?

"Mr. Greenspoon: He told you yesterday that he destroyed them.

"Mr. Nizer: No. I am talking about after February 16th, 1966.

"Have you the originals of the documents of the letters that he sent you?

"A. I don't have them.

"Q. What did you do with them, sir? A. I just disposed of them.

"Q. How did you dispose of them? A. Either tearing them or just throwing them in the (1871) sea or any way of disposing of letters which I don't want to show anybody for their content.

"Q. And did you do that each time a letter came from Galic to you? A. Each time, unless he gave me an address which I needed. Of course, I cut the address out. But I can't give details.

"Q. The letters that you sent to him, what did you do with the copies of those? Also dispose of them?

"Mr. Greenspoon: Objected to as to form.

"A. I never make copies, or never made.

"Mr. Nizer: So that of every letter you sent to Galic after February 16th, 1966, the original was sent and no copy was kept by you even for a moment?

"A. Especially when it is handwriting; there is no possibility of having copies.

"Q. Did you ever have any letters typed to him? A. Sometimes.

"Q. And those that were typed, did you ever keep a copy? A. No.

"Q. Did you make a copy in the first place or didn't you keep one? A. No.

(1872) "Q. You never made a copy? A. No.

"Q. Is that true also before February 16th, 1966? A. It has been always so.

"Q. Were concessions granted to the following companies at the same time as Occidental: Bosco Oil Company? A. Yes.

"Q. Circle Oil Company? A. Yes.

"Q. Lion Oil Company? A. Yes.

"Q. Mercury Oil Company? A. Yes.

"Q. American Mining and Exploration Company? A. Yes.

"Q. Libya Desert Oil Company? A. Yes.

"Q. Libya Texas Oil and Refining Company? A. Yes.

"Q. And were all these companies new and small companies in the field? A. Most of them.

"Q. Which were not so? Were there any that I have (1873) mentioned that were not? A. You mean oil petroleum?

"Q. Yes, as against the major companies. A. I think that Bosco has been some time or it was already at that time in oil. It had something in Middle East or some place.

"Q. But were these companies nevertheless, I mean, small companies, new companies in the field? A. Yes.

"Q. Did any of the applications filed by these companies show a net worth in excess of $67,000,000? A. A net worth?

"Q. A net worth. A. I can't remember this. Some were only registered a few months before.

"Q. And so far as you recall did they have any financial statements as to their net worth? You know what I mean by 'net worth'? A. We put them—what do they call it—at the trial with the 50,000 pounds which had to pay at the signature, and they paid."

* * *

(1874) "Q. Do you mean by that, if I understand you correctly, and I think you are right about that, that because of the Libyan law the test of their financial reliability was the 50,000 pounds bond, guarantee? A. This is what we ruled because they were new companies and because the pieces that we are going to give were not of importance. We wanted only to frighten the majors. The people in the street knew it.

"Q. Did any of these smaller companies I have just listed win important block numbers? A. No, no one.

"Q. I call your attention to the Circle Oil Company. They won block 41. Was that an important block? A. No, it wasn't compared to the others.

"Q. I don't mean compared to anything. I mean was it important? A. It must be compared. There was complete appreciation of the whole possibilities and we made, what you call it, (1875) a selection.

"Q. Did Esso, Standard Oil of New Jersey, bid for that block 41? A. Maybe yes.

"Q. And the Circle Oil Company won against the bid of Esso, didn't it? A. Yes; on purpose.

"Q. And there were three bids for block 41 for which Circle was bidding; is that right? A. This I can't answer. Maybe three, maybe four. I have answered you enough. I can't remember even these small details.

"Q. Mercury won block 26. Do you know how many companies bid for block 26? A. No, please don't ask me this question. You should have asked me immediately after the concession. I knew everything by heart.

"Q. You mean you don't remember that? A. I don't have these concessions myself.

"Q. Will it refresh your recollection if I told you that the Oasis group bid for block 26 and lost out? A. It doesn't interest me.

"Mr. Greenspoon: He said it doesn't refresh his (1876) recollection.

"Mr. Nizer: Now answer my question.

"A. It doesn't refresh me. I don't want to be refreshed on these points. This was part of my work. I want to forget it.

"Mr. Greenspoon: He said it doesn't refresh him.

"A. It does not refresh my mind.

"Mr. Nizer: I thought you said it doesn't interest you."

* * *

(1877) "A. It doesn't interest me to refresh my mind on that particular question. I want to answer important questions.

"Q. My question—and it isn't for you to evaluate the importance of my questions— A. Yes, yes, yes.

"Q. It is? A. Yes, of course. Before answering, I have to have everything, you know, put right exactly what you have behind that question.

"My question is not whether it interests you, but does it refresh you— A. This is what I have to say. This is my defect. I have to say exactly what I am thinking. It means just to show you that it is a waste of time to try to refresh me on certain things. I can go to records and see them if I need them.

"Q. Did you in each instance consider these smaller companies that I have listed actually viable from a financial viewpoint the moment they posted the banker's guarantee of 50,000 Libyan pounds for each concession?

"Mr. Greenspoon: Object to the form of the question.

"A. The form is very tricky again.

(1878) "Mr. Nizer: Did you consider it or not?

"A. Make me a different question.

"Mr. Greenspoon: I object to the form of the question.

"A. Shall I comment? You oblige me to comment and make lectures. If you put to me a question like this, it means by paying 50,000 pounds you become financially viable. According to what standard? For whom? For United States or for Libya or for myself or for the purpose of granting of concessions?

"Mr. Nizer: For the purpose of the Libyan law.

"A. The Libyan law as interpreted in a way and you arrive to the conclusion I said, that we accept these companies, even those bloody pieces of acreages, so they can say 'We have 41 concession here'. Most of them are independents, and if they pay 50,000 pounds or gave a bank guarantee, it is O.K. for us, and not for every company."

(1879) Mr. Nizer: Now I continue with what I had proposed to read, Page 295.

"Q. Did the drafts for contracts prepared by your office after the awards were made and delivered to Occidental, the draft of the contract itself, make any mention or reference in any manner whatsoever to Allen & Company as a financial backer of Occidental? A. I have an-

swered already that I don't think there is any mention of Allen in any documents after, you know, the concession was submitted.

"Q. Is there any mention of Allen—I see. You mean in any documents filed in any way— A. I have said that already. You asked me about Allen. I had the impression I read Mr. Allen's name. Then I said I wasn't sure, I don't remember. Then I saw here this exhibit—

"Q. 74? A. —and I found there was no letter. So what's the use of saying yes or no? I said no.

"Q. You said no, that is correct. You said no to a question which addressed itself to P74 (P130), which is the application. A. The application. I said no because I haven't read it.

(1880) "If I didn't see that one I would say I don't remember. I saw that one okay. That is the official document. I said no.

"Q. But now my question is not on that document. A. Okay again. Either document, I say no.

"Q. That is an answer. At no time on any document. A. Yes."

* * *

"Q. Was Khalifa Mousa your successor as Oil Minister? A. He is still there.

"Q. Was Mr. Mousa politically unfriendly to you? A. Unfriendly? Politically? I wouldn't say.

"Q. Well, was he friendly with you politically? A. I say, I wouldn't say, because if you say politically it is one thing; if you say friendly in a social manner I would say definitely so.

"Q. How would you say that? A. He is friendly to me and we are still friends and we joke with each other and so on. Politically, I wouldn't say, because I am not a politician. I don't think he is a politician.

(1881) "Q. Did Mr. Mousa head a committee to amend the Oil Law and then replace you as Oil Minister? A.

Wait a minute. Yes, he was the chairman appointed by myself and by the Council of Ministers to deal on the expensing of royalties. This is history on record. Then after we amended the law and signed the contract and finished my job, he was appointed Minister of Petroleum.

"Q. Were you always in favor of changing the Libyan Petroleum law as it was done in September 1965? A. Always in favor in the interests of Libya.

"The answer is yes, I take it? A. Yes, not any change. In the interests of Libya. I insist on saying any change in the interests of Libya, not just a change. Changes might be bad.

"Q. The answer to that question is, in the interests of Libya you were always in favor of changing the law of Petroleum at September 1965? A. Yes.

"Q. Was your successor, Mr. Mousa, in favor of changing the law at that time? A. He did change it and work for the change according to our policy.

"Q. Were you and Mr. Mousa in agreement with (1882) regard to the changing of the Libyan Petroleum law at that time? A. I wasn't in agreement with what he got out of the negotiations. He wasn't successful.

"Q. Was the Prime Minister of Libya in favor of changing the law at that time? A. He was in favor. I didn't know in which sense.

"Q. Did you have any disagreement with either the Prime Minister or Mr. Mousa at that time with regard to changing the Libyan Petroleum Law? A. With regard to certain items, not of the principle, because I signed it.

"Q. In other words, there was a difference of opinion with respect to certain of the changes in the law? A. Of course, yes, terrible friction.

"Q. Between whom was the terrible friction? A. Between me and the Prime Minister, and, of course, Mr. Mousa was acting, you know, on our orders.

"Q. And the Prime Minister then had Mr. Mousa become your successor and you ceased to be the Oil Minister? A. Yes, because I didn't want to stay with that Prime Minister.

"Q. Because of these differences of opinion? A. Of course. I am very hard.

(1833) "Q. And Mr. Mousa agreed with the Prime Minister in this difference of opinion? A. Yes, because he didn't manage to get what I wanted.

"Q. Now, you testified that you communicated with Galic in code? A. Yes.

"Q. And in such a way as not to be compromised if anyone saw your correspondence? A. Yes.

"Q. You testified that nevertheless you turned over to your successor, Mr. Mousa, a carbon copy of K2 (P158) —that is the February 16th, 1966 letter—which revealed to a person not connected with the Government, namely Mr. Galic, the confidential fact of an award four days before any official decision was announced?"

Reading from the top of the next page, 300:

"Q. 'Yes' is the answer? A. It is completely different from what I have been writing to Mr. Galic. We didn't use any of our—what do you call it—rude and scurrilous expressions which could go into an official paper, while this one is very neat, very well studied and very well typed, though (1884) I am not a typist, as you see.

"Q. But you recognize, of course, that the letter began by advising a person outside of the Government four days before any official announcement was made that the company you felt he represented was going to win the award? A. Yes. You see what is the purpose of it from reading it.

"Q. Incidentally, when did you arrive in London on this occasion? A. I arrived on Thursday night. I stayed one

night at the Hilton. Then I didn't have a booking. I was misbooked, actually.

"Q. So you have been here a week? Today is Thursday. A. A week today.

"Q. And the examination began here, of course, on Tuesday. A. On Tuesday.

"Q. When, to your knowledge, did Mr. Greenspoon arrive? A. Mr. Greenspoon was Saturday—Sunday?

"Q. When did Mr. Herbert Allen arrive? A. I don't know. I saw him here.

"Q. When did Mr. Galic arrive? A. Mr. Galic, maybe Friday or Saturday.

(1885) "Q. Did you meet with Mr. Galic Friday and Saturday? A. If he arrived on Friday, we met on Friday. If he arrived on Saturday, we met on Saturday. We met definitely. Why not?

"Q. Did he discuss any subject involving the testimony that you would give in this case? A. No. I only wanted to know when I am going to sit to arrange my own program. He said somewhere Monday—Tuesday.

"Q. But except for fixing the date, Mr. Galic didn't talk to you about any of the matters involved in this examination? A. We didn't talk. We are living in it. We have been living in it.

"Q. Then living in it, did he discuss it with you in London here before you testified? A. Now I want to know the word 'discussed' and what it means.

"Q. Did he talk to you about some of the matters which Mr. Greenspoon asked you about in the direct examination? A. No.

"Q. Not a word was said about the February 16th letter, for example, to you by Mr. Galic? (1886) A. It might be that we didn't even mention it.

"Q. It might be. But do you recall whether you did or not? A. I can't recall the general subjects which go into our conversation or mention. This letter isn't something which is new. I heard of it since it was submitted as an exhibit, so—

"Q. When was it submitted as an exhibit? A. I don't know. You have all the records. You know yourself. It is your case, not my case.

"Q. Could you fix the year at least of that? A. Maybe 1967 itself, maybe later, 1968.

"Q. You say you submitted as an exhibit, you mean in this action of Allen & Company? A. When this letter actually compared in any—what do they call it?—

"Q. You mean appeared? A. Appeared in any place.

"Q. In the litigation that we are involved in here? A. Yes, of course. He had to advise me because it is something which touches me. I knew that, of course.

"Q. Did Galic on Friday or Saturday, whenever you began your conversations before Tuesday when you testified, discuss that letter with you? (1887) A. No. We couldn't discuss because we have been with other people. This is definite. Whenever we have been together we have been with other people.

"Q. You never discussed, whether with other people or alone, anything involving the testimony you gave here; is that your testimony? A. We haven't been alone here in London. That is what you can be sure of.

"Q. Was Mr. Greenspoon with you at any time? A. Very late before the meeting. They live in the same hotel.

"Q. You mean before the meeting before you testified here? A. Yes.

"Q. On Tuesday. When did Mr. Greenspoon, Mr. Galic and you meet before Tuesday when you testified here? A. The night before.

"Q. And where did you meet? A. Now we go back to mention things which don't interest me. Where did we meet? Claridge's? Yes. It is an Italian restaurant somewhere in Knightsbridge. Of course, we were taken by car, you don't know where, but I know it is an Italian restaurant.

"Q. Who was present? Just you, Mr. Greenspoon (1888) and Mr. Galic? A. Mr. Galic's wife, my daughter. It was a social group.

"Q. Did you meet with Mr. Galic and Mr. Greenspoon prior to that restaurant meeting? A. No. We only met when we had to go to the restaurant.

"Q. Did you and Mr. Greenspoon, in the presence of Mr. Galic, discuss any subject matter which you have testified to in this case? A. We haven't been the three of us alone. We have been always with the ladies, mostly with the ladies.

"Q. My question is not— A. No.

"Q. Your answer is no to that? A. 'No.'"

* * *

(1892) "A. Mr. Greenspoon knows me very well. He studied me before he even knows me. He knows what he can try with me.

"The Commissioner: Will you record Mr. Greenspoon's observation, Mr. Reporter.

"A. I object myself to people putting this question, because my personal relations are not censurable. Mr. Allen wasn't there, of course.

"Q. Did you meet Mr. Parr before you came to this hearing? A. No."

* * *

(1893) "Q. Was anything said to you by Mr. Greenspoon or Mr. Galic at any time before you testified here— A. Anything?

Faud Kabazi, E.B.T.

"Q. I am going to finish the question, sir, if you will be patient with me, please. Was anything said to you by Mr. Greenspoon or Mr. Galic before you testified here, whether in London or any other place, did any of them say to you anything about Mr. Galic's continuing to represent Occidental because he didn't want to reveal the termination letter of Occidental? A. No, Mr. Greenspoon never.

"Q. Galic? A. Galic? I don't know. How? In which way? He never talked the question of termination. He has always considered himself working for Occidental. They have no proof, because Occidental didn't even show me what termination they gave him. So it was something out of this world.

"Q. But did he discuss that matter with you? (1894) A. No.

"Q. At any time? A. We never discuss private matters. Something that is of concern, whether he thinks something or does, I don't censure him, I don't ask him questions. He isn't a man who says everything about himself. It is mostly about other people, and that's what I enjoy in him, because I gain a lot of information and I don't need to read these various magazines and so on. He is a man, what you call it, a social person who knows everybody, and really is my best information in that field, and when I sit with somebody I try to get out of him what I want and not what he wants."

* * *

"Q. You mentioned this in one of the last answers that Occidental had no proof with respect to the termination of Mr. Galic. Are you aware— A. They didn't show me any proof or any document of the termination, nor they kept me informed."

Mr. Nizer: I continue reading:

Faud Kabazi, E.B.T.

"Q. Did Galic ever mention to you that he had received a letter back in July 1965 terminating any arrangement he had? (1895) A. I said that after Dr. Hammer told me this, the first chance I had to ask Mr. Galic about this, he said no, that's rubbish. I am still there. We have, what you call it, a dispute. That's all, and Dr. Hammer said 'I am finished. I settled him,' and he said actually another thing. 'I am very clever, you know, because Galic is a naughty boy. I didn't pay him the whole money. I am going to pay it gradually.' I said 'Gradually?' It means he is keeping him on salary. So I of course am suspicious even on this information."

* * *

"Q. Did you ever inquire as to the background or record of Mr. Galic? A. Record?

"Q. His background. A. Immediately after I met him.

"Q. Where did you inquire about that? A. When?

"Q. Where? A. All over Europe.

"Q. Who did you inquire from? (1896) A. I wouldn't tell you. This is something confidential. I am not supposed even to say that I inquired about him. I inquire about everybody.

"Q. Did you check the record of Mr. Galic after you met him? A. I didn't need to check because the person who gave me the reference was really first-class.

"Q. Who is that? A. No. How am I going to say?

"Q. You refuse to answer that question? A. This is normal practice. Nobody tells about a reference.

"Q. Did he say anything bad about Mr. Galic? A. Who?

"Q. The person who told you. A. No.

"Q. Then why don't you tell us the name of who it was? A. I don't want to.

"Q. You refuse to answer that question? A. Yes."

"Mr. Nizer: Mr. Gadeaux—"

Mr. Greenspoon: This we object to as not offered by anybody and it is all colloquy between the lawyers—

(1897) Mr. Nizer: There are answers here as you will see in a moment.

Mr. Greenspoon: Nothing on 307.

Mr. Groman: Yes, there is.

The Court: There are two or three answers on that page, Mr. Greenspoon.

Mr. Greenspoon: On Page 307?

The Court: The copy I have.

Mr. Greenspoon: I see one, two—

Mr. VanVoorhis: Here is two. There are three answers there.

Mr. Greenspoon: But this was not offered by anybody.

Mr. VanVoorhis: It is not related in—by any means to the colloquy.

"Mr. Nizer: Mr. Gadeaux—"

"Mr. Greenspoon: There is a claim of confidentiality which I think stands against the order.

* * *

(1898) "Mr. Greenspoon: Mr. Gadeaux, there is a claim of confidentiality. That order deals only with relevance and materiality, and therefore doesn't have to be answered. Government confidentiality.

"Mr. Nizer: Mr. Gadeaux, I respectfully request that you direct the witness under the order of the court to answer this question, even if counsel wishes to make an objection. That is for the Court in New York. I say it is highly material and relevant and there are reasons for it.

"Mr. Greenspoon: Nonsense.

"Mr. Nizer: But this is not a matter that we are going to submit to you, as you have indicated. I

simply request that he answer the question and not refuse to answer it.

"The Commissioner: Gentlemen, can we call a short recess?

"Mr. Greenspoon: Mr. Gadeaux, there is a claim of Government confidentiality here.

"Mr. Nizer: I haven't said anything about Government confidentiality.

"Mr. Greenspoon: No, you haven't but Mr. Kabazi has.

(1898a) "A. You want to ask me a name. Still I am trying myself to find the exact name, but I am not going to say, because when I ask they first of all get me to assure that I am not going to report this."

(1899) "The Commissioner: Mr. Kabazi, if I may read to you from the court Order—

"Mr. Greenspoon: No, Mr. Cadeaux, please don't read from the court Order.

"A. I don't answer any question. I said 'No'.

"Mr. Greenspoon: Because this deals with Government confidentiality, and that Order doesn't cover it.

"The Commissioner: I understand that.

"A. I am not going to say the names. You say 'Say names'. You say 'Answer'. I answer. I am not going to give the names, not answer the question giving names.

"Mr. Nizer: There is no question of Government confidentiality in an alleged—

"A. No; it is personal.

"Mr. Nizer: He said 'It is personal'. Let the record show that Mr. Greenspoon got up and approached the witness and asked him whether it

wasn't Government confidence, and the witness replied 'It is personal'.

"Mr. Greenspoon: All right. O.K.

"The Commissioner: Let me state for the record, Mr. Kabazi (I believe this is my function) the court Order states that 'the witness shall be required to answer every question propounded by counsel, regardless of materiality or relevance, which objections shall be reserved and determined (1900) by the trial judge'. I cannot compel you or force you to answer the question. I can only remind you what the judge has ordered.

"A. No. I answered the question. I said I have the reference, and he said 'Who is the person?'. I am not going to say the name.

"Mr. Greenspoon: Let us go off the record for a moment.

"Mr. Nizer: No, I don't want to go off any record.

"Mr. Greenspoon: I want to go off the record.

"Mr. Nizer: No, I won't consent. You state what you wish on the record.

"Mr. Greenspoon: Mr. Kabazi, this record here is going to be kept confidential under the Order of the court. It cannot be disclosed to anybody. So just throw out the name and let him go on his merry way. It won't matter. Just give him the name and be done with it.

"A. I have to ask the person whether I can give the name or not.

"Mr. Greenspoon: Give his initials or something.

"The Commissioner: Mr. Kabazi, the court Order also states that 'Except as provided hereinafter, the parties, their attorneys and agents, the reporter, the United States

Consul, and any of their representatives or employees be, (1901) and the same hereby are, enjoined from publishing or disclosing to any third party any of the testimony or documentary evidence adduced on the deposition of said witness'. I want you to know this is what the court Order says— A. Mr. Consul, it is a matter of personal affair with the person whom I questioned, and I questioned about other things. If he knows that I made his name once, that is finished.

* * *

(1902) "Mr. Nizer: I won't go on. I demand that the (1903) witness answer the question. I point to the fact that he has claimed reliance on Mr. Galic when I asked him who he checked, because he claims that without getting any document in the application or otherwise from Mr. Galic he relied on this as against the documents of the Signal Oil Company, the Chase Manhattan Bank, the $67,000,000 of net worth; as against all that he took the word of Mr. Galic without any documentation. I think this is highly relevant. He has said, incidentally, that the person didn't say anything evil about Mr. Galic, so he at least volunteered. Consequently, there is not even any reason for the confidence. I want to be fair to state that the confidentiality in this Order—and I want to be fair about this and state it on the record—does not mean that at the trial—

"A. Ah-ha, the trial.

"Mr. Greenspoon: It can't be used at the trial.

"A. Now I have to ask permission of the person.

"Mr. Nizer: Just let me finish, so that the record will be fair. It does not mean that at the trial, when this deposition is read in, if either side wishes

to read it, the matter doesn't become a matter of knowledge to the whole world, including Libya, or any person involved. That is up to the court at that time (1904) to make a special Order if he wishes as to any particular matter. There is nothing in this confidentiality Order which limits the revelation—

"Mr. Greenspoon: What are you trying to do; shock the witness into refusing to answer it, Mr. Nizer?

"Mr. Nizer: Of course not; on the contrary, I might say—

"A. I say I might give it later, because I can't approach the person now.

"Q. I am not asking you to approach anybody. I want an answer. I say that at the present time this answer isn't under the confidentiality Order. I want to be fair to say this to everyone and not by silence mean to acquiesce in something which in all candour is not so—

"Mr. Greenspoon: Go on with your next question.

"Mr. Nizer: I have no next question until I get an answer.

"Mr. Greenspoon: This is a pure stall now.

"A. I want to be fair, because it is not a question of, what you call it, stalling. I cannot make the name of this person before consulting the person.

"Mr. Nizer: So far as I am concerned, we can take a brief recess and you can telephone anybody you wish, if that is what you want.

(1905) "A. No, sir.

"Q. If you don't want to consult with that person, I demand that you give the answer to this question as the court ordered. A. No, Sir.

* * *

(1906) "Mr. Greenspoon: He knows the last question. He wants the name of the man who recommended Mr. Galic.

"A. Gentlemen, you know that I worked on this business in very close contact with His Majesty, and the man whom I asked about this was Omar Shahli, who is considered the son of His Majesty. You cannot bring His Majesty to a court, or even mention him, and Omar Shali doesn't permit me to make his name in any instance where it could be used because of the sacted character of his relations with His Majesty. Omar Shahli is well-known to everybody here, and maybe even some of them are friends of him. So I was not allowed to make his name.

(1907) "Mr. Nizer: Did Mr. Shahli tell you how long he knew Galic?

"A. I didn't ask him. I said 'I have so and so. I want to know about Mr. Galic'. Then he gave me. Of course, he can telephone any bank, telephone any cardinal, telephone any price in Europe."

* * *

"Q. Did you speak to anyone else about Mr. Galic? A. After that? I might have.

"Q. To whom? A. I would say I don't remember now. I am not going to make a list of names.

"Q. Did you speak to General DeRovin about Galic? A. He spoke to me; I didn't speak to hi

"Q. How long did DeRovin tell you he knew Galic? A. I don't remember. My talks with DeRovin were very quick. I wanted to get rid of him, as I wanted to get rid of this witness here.

"Q. What witness here? A. This witness. I wanted to solve it in a short time. But with DeRovin I spoke, very very few words. I didn't like him personally, and

I avoided him, so we didn't (1908) have much chance to talk about Mr. Galic.

"Q. You say you talked to other people after you got the information that you say from Mr. Shahli? A. Talked of or to? We have to distinguish between—

"Q. You say you talked to other people about Galic. A. Talk to or of?—because many people will talk of Galic without my even asking. Do you mean by getting references or just talking of?

"Q. All right. Did you ever hear an adverse report about Galic's background? A. No one from the persons I had to mention Mr. Galic with would mention it. You wouldn't have been my friend. Just imagine that I hear something contrary. I would have told him immediately, of course, and he would have sued the man.

"Q. Who would you have sued?

> "Mr. Greenspoon: He didn't say he would have sued anybody. He said Mr. Galic would have sued the man.

"A. If Mr. Galic was badly mentioned by a person, I would immediately inform the person that I am going to report this to Mr. Galic, and Mr. Galic would have disposed of him as he liked, because this is my type of behaviour with friends. I don't allow any people, if I don't smash the face of the person myself—nobody dares, in Libya (1909) or outside, speak about a friend which they know is already a friend of mine.

"Mr. Nizer: Was the information as to who had won the bids a matter of utmost confidence until the Government completed its processes, including the King's approval, and made its formal announcement?

"Mr. Greenspoon: It is objected to as to form.

"A. Confidence I said to everybody except those authorized.

"Mr. Nizer: I meant confidence to anyone not connected directly with the Government.

"A. Or with the interests of the matter in discussion.

"Q. Well, let me understand you, then— A. Your question is this: Why you told Mr. Galic?

"Q. No. My question is what I will give to you, not what you give to me. A. No; I imagined.

"Q. I am asking you whether it was a confidential matter from any of the applicants for concessions as to who won before it was announced. Was it or not? A. You mean for Occidental in this case?

"Q. For any applicant, including Occidental. Was it confidential as to who would win the bids until it was publicly announced? (1910). A. This is the rule."

* * *

(Recess.)

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* * *

(1912) "Q. The other day you were asked some questions about confidentiality in the committee of three, the committee of nine and the Council of Ministers. Do you recall that? A. Yes. I said always this is the rule.

"Q. Can you tell us why you kept Mr. Galic informed? A. Well, because—if you object, I don't say, because you can make your next question—

"Mr. Nizer: I object to that.

"A. If you object, I don't say, because you can make your next question.

"Mr. Greenspoon: Okay, you may answer.

"A. Has he the right to object?

"Q. He can object, but you may answer anyway. A. Because this was the agreement that Mr. Galic would deal with me and I shouldn't tell anybody else. In fact the records and the history proves I didn't even talk to Mr. Vaughan on any specific matter going behind the (1913) scene for the purpose of obtaining a concession for Occidental."

* * *

Mr. VanVoorhis: Your Honor asked or commented during the reading of the Kabazi deposition that there were questions that you would like to ask yourself. It happens that the plaintiff would have been glad to have had Mr. Kabazi here personally to testify, but conditions are such in Libya, and his previous connections there, the new regime, so that he simply is not allowed out of Libya.

The Court: Well, Judge VanVoorhis, I had not suggested or intended by my question that I thought the plaintiff was required to produce him here as a live witness. I simply made a comment, based upon some of the answers that were given, which seemed to me inconclusive, and indeed intending no criticism of counsel representing either plaintiff or the defendant in this case, I thought that the inquiries in those instances might have been pursued a bit further for the purpose of clarification.

Mr. VanVoorhis: We have tried to get him here in the flesh.

(1914) The Court: There was no intimation of any kind intended that plaintiff was under a duty to make efforts to bring him here for this trial. You have had this extensive deposition and while of course it is always more preferable to have the witness in front of you, particularly because of the advantage of demeanor testimony, I have often told

jurors that you have to judge demeanor based upon the deposition testimony as it comes through, and as it is read.

Mr. VanVoorhis: I believe it is a matter of which judicial notice can be taken that in October 1969 the revolution ousted King Idris, and many of the Ministers under King Idris were arrested, and imprisoned by the revolutionary tribuna, and many of the people of his party or group were under house arrest, and conditions there have been such that, we are informed that while he is not at present under house arrest, still, but is not permitted to leave the country.

Mr. Nizer: It is only fair for me to say in that connection that we have a representative in Libya, naturally, since Occidental still has its concessions there to a certain extent, and I have been informed that Mr. Kabazi could leave the country, could go to Rome or (1915) any place, so I don't want judicial notice taken of anything in the light of the information I have which is simply consular information which I was not going to say until you pressed this matter.

I don't say that you must produce him. You have his deposition. But I don't want it implied, since I am informed by our representative, Mr. Kabazi is a free man. He has left the country at times.

Mr. Greenspoon: I spoke to his daughter this morning and she told me flatly that he is not allowed to leave the country.

The Court: Gentlemen, aren't we getting into a really unnecessary discussion? I certainly am not drawing any adverse inference—I am sure it is not even required for me to state this—from the circumstances that he isn't present. You are perfectly within your rights in relying upon the deposition. The man is beyond the jurisdiction of the Court. I don't know why this issue is even raised.

Ferdinand Galic, E.B.T.

Mr. VanVoorhis: Thank you, your Honor.

We will read, if we may, from the deposition of Ferdinand Galic.

I am reading from the deposition of FERDINAND GALIC, which was taken before a Notary Public—do you (1916) have the date there?

The Court: June 23, 1969.

Mr. VanVoorhis: Commencing there under at 111 Broadway.

The Court: I am mistaken. That is the date of the order, June 23, 1969. According to the front page of the deposition, the deposition commenced on July 7, 1969.

Mr. VanVoorhis: Examination by Mr. Greenspoon.

"Q. Mr. Galic, will you speak up so that everybody around the table can hear you? A. All right.

"Q. Of what country are you a citizen? A. Italian.

"Q. And is your official residence at the Palace Hotel in St. Moritz? A. That is right.

"Q. Do you also have a home in Paris? A. That is right.

"Q. What is the address of your home in Paris? A. 41 Rue Spontini.

"Q. Do you have an office in Paris? A. No, I have an agent there.

"Q. Are you a graduate of any university? (1917) A. Yes.

"Q. What university are you a graduate of? A. Prague—Charles University in Prague, Czechoslovakia.

"Q. In what business are you now engaged and in what business have you been engaged over the last ten or fifteen years? A. I was in all kinds of business—financing, I have a factory, machine factory for plastic, and I have a plastic factories, and some more chemical factories.

Ferdinand Galic, E.B.T.

"Q. In 1951 did you have any contact with the Kingdom of Libya? A. I was there in 1951, sent by King Peter of Yugoslavia, who introduced me to the King of Libya by letter, and a couple of days before I arrived in Libya, I was introduced also to the Governor of the National Bank of Yugoslavia, before I arrived there—he was very close to the King of—Peter. And he already started and have a contact with Palace and the two Princes Senussi was there in the epoch.

"Mr. Nizer: Two princes what?
"The Witness: Senussi."

Mr. VanVoorhis: At the bottom of the page I think it is just colloquy up to then.

(1918) "Q. You were up to the point where you said you met the Princes Senussi."

Mr. VanVoorhis: Passing from Line 10 on Page 4 to Page 5, Line 22.

"Q. Did you tell Mr. Vaughan about this 1951 incident of yours? A. Yes, I told him—he was talking about Libya and I told him—you see, I have a possibility in 1951 to have an oil and I miss it. I don't find anybody to be interested in the oil.

"Q. Do you know Messrs. Charles Allen, Jr. and Herbert Allen? A. Yes.

"Q. When, for the first time, did you meet either of them? A. I meet Charles Allen in Paris before about 15 years."

Mr. VanVoorhis: Passing to Line 15.

"Q. When for the first time did you meet Herbert Allen? A. When I come after one or two months, I come New York, and in the office Charley present me Herbert Allen."

(1919) Mr. VanVoorhis: Passing from Page 6, Line 19 to Page 8, Line 6.

"Q. Do you recall at some time in 1965 there was a movie made regarding Libya? A. Yes.

"Q. Do you recall the movie? A. Yes.

"Q. Who financed that movie? A. Me, completely.

"Q. Did Mr. Kabazi have anything to do with that movie? A. He write the script and I put the name there. It was some Italian friend. I forgot the name who was managing. Kabazi don't have it, any money for that. He don't have it. I take it just script of him.

"Q. You mean he got credited as the script writer? A. That is right.

"Q. Did Kabazi have any financial interest in that movie? A. Not at all.

"Q. Did Allen & Company or any of the Allens finance that movie? A. Not at all."

(1920) Mr. VanVoorhis: Passing from Line 2 on Page 9 to Line 7 on the same page.

"Q. Did you pay Mr. Kabazi any money for writing the script? A. No, he was happy that I am doing the pictures."

Mr. VanVoorhis: Line 13, same page.

"Q. Did there come a time in 1964 when you met a General DeRovin? A. Yes.

"Q. Will you tell us how you were introduced to General DeRovin? A. It was somebody from one private bank who called me and told me was bringing DeRovin. He was, I think, director of the television, or something, wife of this director of television presented to the bank DeRovin, and the bank called me up, 'Here is a deal in Libya, for oil, General DeRovin,' so I told him, 'All right, tell him to come over to see me in the office.

Ferdinand Galic, E.B.T.

"So he come the same day, the morning in the office—introduced—people who introduced him was very good—Legion of Honor DeRovin. So I asked him—he was so he told me I have a connection in Libya, I can have them give me a concession. The boy—he was president of the Chamber of the Deputy, and you can do a deal, and many (1921) others deal.'

"So he told me—'You have somebody for oil?' So I told him yes, I can have somebody. So after that I called Charley."

Mr. VanVoorhis: Passing from Line 9 on Page 10 to Page 11, Line 15.

"Q. Can you tell us when datewise the bank called you about General DeRovin? A. No, I don't know. That was a couple of months before we was in London. Two months, three months. I don't know now.

"Q. Can you pin it down any closer than that? A. No. Listen, after five years, you want me to know today—I don't know."

Mr. VanVoorhis: Passing from Line 21 on Page 11 to Page 12, Line 7.

"Q. I believe you started to tell us that you called Mr. Charles Allen after you spoke to DeRovin, is that right? A. Yes."

Mr. VanVoorhis: Passing from Line 10 on Page 12 to Page 13—

The Court: Line 11 to what line?

(1922) Mr. VanVoorhis: Page 12, Line 10, to Page 13, Line 18.

"Q. Can you tell us how soon after your conversation with Mr. Charles Allen that he called you back? A. A couple of days, I think it was. I don't know. It was three days, six days, eight days. I was very quick."

Mr. VanVoorhis: Passing from Page 13, Line 21 to Page 14, Line 11.

"Q. After your conversations with Mr. Charles Allen, did anyone from Occidental call you? A. It was Brenner, I think, from the office in Paris who called me.

"Q. What did Brenner and you say to each other? A. I give him—I put him in contact with DeRovin, and then DeRovin manage it for trip in Libya, probably Occidental told him go and see—anyway, he from some place ordered to go to see, to look and to go to Libya."

Mr. VanVoorhis: Passing from Line 24 on Page 14 to Line 7, Page 15.

"Q. Did General DeRovin go to Libya? A. Yes.

"Q. With whom did he go? A. With Brenner.

(1923) "Q. Do you know who paid General DeRovin's expenses on the trip to Libya? A. I paid him."

* * *

"Q. I show you Defendant's Exhibit 4 (P28) for identification, to which is annexed what appears to be a handwritten letter, or a photostat of a handwritten letter and a photostat of two typed letters, and I ask you if you sent that letter to Mr. Charles Allen, together with the enclosures. A. Yes.

"Q. Will you look at the first enclosure, which is a handwritten letter— A. That is—

"Q. Will you tell us who wrote that letter? A. DeRovin."

(1924) Mr. VanVoorhis: Passing from Line 15 on Page 16, to Page 21, Line 22.

"Q. Mr. Galic, did you go to London? A. Yes. I was in London.

"Q. And approximately when was that? A. It was about one or two days before we signed that contract,

what this—in September 17, 18th or something. Two days before, one day before.

"Q. Prior to the time that you went to London, had you ever met Mr. Ogbi? A. No, I meet him in London.

"Q. Will you tell us the names of the different people whom you saw in London at the meetings in London in September 1964? A. I was introduced from DeRovin to Ogbi and to Assous. Assous was with him, probably the man who give him contact with Ogbi.

"Q. Did Mr. Allen introduce DeRovin to Mr. Hammer? A. No, Allen—

"Q. Did you? A. Yes. It was—he, Herbert, just flew up through the lobby, and then I presented him DeRovin, and I present him Ogbi. It was just standing up. We was sit (1925) down all together talking, and Herbert was passing hall, so I tell him, 'Herbert, come on over,' and I present him with 'How do you do, how do you do,' and he met.

"Q. Did you introduce Mr. Hammer to General DeRovin? A. Yes, I introduced him to all of them.

"Q. Did you introduce Mr. Hammer to Mr. Ogbi? A. Yes. It was me and Brenner together, Brenner know him already from his trip to Libya, and—

"Q. Brenner knew whom? A. Ogbi and DeRovin he know already."

Mr. VanVoorhis: Passing from Line 9, Page 23 to Page 24, Line 8.

"Q. Did Mr. Brenner speak any language besides English? A. Oh, yes, he spoke many languages in perfection.

"Q. At these meetings in what language did Mr. Hammer speak? A. English.

"Q. Did you have any meetings at which Mr. Hammer was present while in London? A. Oh, yes, we have a couple of meetings.

"Q. Before you had any meeting with Mr. Hammer, did you have a meeting with Herbert Allen and a Mr. McGuire of Associated Gas & Oil? (1926) A. Yes."

Mr. VanVoorhis: Unless you want the rest of the answer read.

Mr. Nizer: Yes.

Mr. VanVoorhis: I think that the defendant objected to it, if I am not mistaken.

Mr. Nizer: If you are reading this, much of his is hearsay and whatnot, but if you are reading it, please read the answer.

Mr. VanVoorhis: All right, we have no objection.

"A. Yes. McGuire—Herbert wanted to be—Associated Oil also in the deal. Each one, one part, 33 per cent, Occidental 33, Associated Oil and 33 Allen. So was presented to me. And then McGuire was all day discussing it, discussing, told us no, I don't want to go in the oil deal. I will probably be more interested in pipepline than the oil deal.

"Q. Is that what McGuire said? A. Yes.

"Q. Were you present—"

Mr. VanVoorhis: I am reading, that is the part that Mr. Nizer wanted.

"Q. Were you present at a meeting with Mr. Hammer at which Herbert Allen was also present? (1927) A. Yes, we was discussing all three in the apartment of Mr. Hammer.

"Q. What was said on that occasion? A. There was discussion about Herbert told him—he told me on this epoch, I financing this Occidental in this deal."

Mr. VanVoorhis: Omitting the colloquy line, 21.

"Q. Will you continue with your answer, Mr. Galic? You were at the point where Herbert Allen said he was going to finance Occidental? A. Yes.

"Q. What else was said? A. At the meeting?

"Q. Yes. A. He told him all right now, go on—go discuss it with those people and with Libyan—the Ogbi and so on. Anyway, I making the deal, and it was not long conversation there. It was probably 20 minutes or half an hour conversation there.

"Q. Did Mr. Hammer say anything to Mr. Allen about whether Mr. Allen should stay around? A. No, he told me, 'It is much better, Galic, let's go—let's go, we discuss this deal and clean it up. (1928) Allen has nothing to mix in this conversation. I will work with you out these agreement with these people, and Allen has nothing to do but financing, and that is his job and we do it. We talk to the people, we make the arrangement with them, and we manage it. We don't need him.'

"Q. What people was Dr. Hammer talking about when he said that he would make the arrangement? A. Ogbi, DeRovin.

"Q. Was there any discussion between you and Dr. Hammer about an arrangement for you? A. Yes. He told me don't worry, let's go see it, what we can have it. If he is not sure that we can have it—I don't—I was in Libya, started to do a deal before a couple of years, and I don't go through, I don't want to miss the start, and I want to know. And after Brenner told from Libya, he give him—he gives very good impression about Ogbi. And Ogbi was in the political life. So the possibility was there that through Ogbi we can obtain in this time the concession."

* * *

(1929) "Q. Is that what Mr. Hammer told you? A. No. We was talking together, changing mind. But for me, like—

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"Q. No. The question is, is that what you and Dr. Hammer were saying to each other? (1930) A. Yes, yes.

"Q. Was there any conversation between you, Mr. Hammer and Ogbi about Ogbi wanting some election moneys? A. Yes."

* * *

"Q. Did you and Mr. Hammer and Ogbi have a conversation? A. Yes.

"Q. What was that conversation? A. I was not in his apartment when he was talking to Ogbi, and when I arrived, Hammer told me, Dr. Hammer took me on the side. He told me, 'Galic, that man is crazy, he is asking, I don't know, $100,000 or $200,000. That is—give no sense to pay this money. We don't have anything. We don't know.' And so—so Hammer told me.

"So I told to Hammer, I tried to talk to him, 'Better do it.' So I walked with Ogbi out in the lobby and we was discussing about half hour, three-quarters of an hour about making down receivable, and I told him (1931) to Dr. Hammer, 'Listen, I agreed—I put down the price now to $20,000.'

"And so Hammer told me, 'Yes. I accept if you pay half you and half me.' So I told him, 'All right, I accept to pay. And Dr. Hammer give me a check on my name, I think, or my company, for Ogbi. And Ogbi ask me to send him $10,000—my $10,000 to send him directly to Libya over the National Bank of Libya. So I told him 'I will be in Switzerland in a couple of days and I send you.'

And the Dr. Hammer check, I keep it and I give him my check for $10,000. And he cash this check immediately."

* * *

"Q. I show you a document which has previously been marked as Plaintiff's Exhibit 4 for identification, and I ask you if you recognize the signatures on that document."